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HISTORY, GOALS OF FIVE-YEAR PLANS

Moscow PLANOVVOYE KHOZYAYSTVO in Russian No 7, Jul 79 pp 18-31

/Article by Deputy Chairman of the USSR Council of Ministers and Chairman of USSR Gosplan N. K. Baybakov: "Fifty Years of the First Five-Year Plan and the Development of Socialist Planning"/

/Text/ An applied science conference, which was devoted to the 50th anniversary of the adoption of the First Five-Year Plan of USSR National Economic Development and the problems of further improving the planned management of the economy and enhancing the role of labor collectives in planning and production management and was organized by USSR Gosplan, the USSR Academy of Sciences, the Academy of Social Sciences attached to the CC CPSU and the USSR Academy of the National Economy, was held on 17-18 May in conformity with the CC CPSU decree, "On the 50th Anniversary of the First Five-Year Plan of USSR National Economic Development."

The reports heard at the plenary meeting of the conference are published below.

The materials of the work of the sections will be published in one of the next few issues of the journal.

The half century of experience of the dynamic development of Soviet society on the basis of the five-year plans demonstrates to the entire world the power of the ideas of Marx, Engels and Lenin and the creative role of national economic planning as one of the most important scientific and social achievements of the 20th century and the revolutionary practice of transforming social life.

In the CC CPSU decree, "On the 50th Anniversary of the First Five-Year Plan of USSR National Economic Development," it is noted that the planned system is the creation of socialism and an expression of its fundamental advantages. Its principles were defined by the great V. I. Lenin, under whose direct

guidance the first long-range national economic plan in the world--the plan of the State Commission for the Electrification of Russia--was drafted. Lenin's ideas of socialist planning also served as the scientific basis for the preparation of the plan of the First Five-Year Plan.

"With the victory of October," L. I. Brezhnev said, "the people of labor were afforded for the first time an opportunity to put an end to exploitation and to escape economic chaos. This key problem of social progress was solved on the basis of the elimination of private ownership and its replacement by public ownership. Production anarchy gave way to the scientific planned management of the economy."¹

The experience of statewide planning in the USSR and the implementation in the plans of the socio-economic policy of the CPSU are of enormous international importance. The fraternal socialist states are utilizing this very rich experience creatively. The peoples of the developing countries, for whom the Soviet five-year plans have become a vivid example of the reorganization of life on the basis of genuine social progress, are studying and employing it.

The Soviet people are celebrating on a large scale the anniversary of the First Five-Year Plan, which marked a new, higher stage in the practical implementation of Lenin's ideas of socialist planning. "The First Five-Year Plan," it is stressed in the CC CPSU decree, "On the 50th Anniversary of the First Five-Year Plan," "showed the enormous advantages incorporated in the socialist system as compared with the capitalist system, confirmed the fundamentally new, consistently democratic forms and methods of management of the national economy and aroused in the masses of many millions of workers the great creative energy which was embodied in socialist competition. The First Five-Year Plan was a symbol of the revolutionary transformation of reality, the high rate of economic growth, scientific planning and the feat of labor of the people."

The First Five-Year Plan, which went down in history as "the plan of great works," was a far-reaching program of the radical reorganization of the economy and the equipment of the sectors of the national economy with advanced machinery and technology and advanced, scientific methods of the organization of production.

The five-year plan embodied Lenin's most important principles of socialist planning: the adherence to party principles, democratic centralism, the combination of long-range and current, sectorial and territorial planning of the national economy, the instructive nature of the plan assignments and their scientific substantiation. From five-year plan to five-year plan

1. L. I. Brezhnev, "Velikiy Oktyabr' i progress chelovechestva" [Great October and the Progress of Mankind], Moscow, Politizdat, 1977, p. 6.

these principles have been developed creatively and enriched with new scientific ideas and practical experience.

The results of the First Five-Year Plan, which was fulfilled ahead of time, astonished the world. Such cardinal tasks as the building of the foundation of socialism and the assurance of the economic independence and defensive capability of the country were successfully solved. The volume of industrial production doubled during the five-year plan. New major sectors of industry, such as the automotive industry, machine tool building, the tractor industry, the aircraft industry, agricultural machine building and others were set up in the country.

Appreciable shifts occurred in the disposition of productive forces. The enormous natural resources of our country were committed to the economic turnover. New industrial centers were built in the eastern regions of the RSFSR and in the republics of Central Asia and Transcaucasia.

The collectivization of agriculture, which was accompanied by a pointed class struggle and was carried out on the basis of industrialization and with the most active participation of the working class, made it possible to solve basically the most complicated problem of socialist transformations in the countryside.

The consistent socialization of production, which was accomplished in a historical short period, led to the triumph of the socialist mode of production, which became the only one in industry and predominates in agriculture. A number of major social problems were successfully solved. Unemployment was completely eliminated in the country. The revolutionary transformation of the economy and the social structure of society was accompanied by a cultural revolution, as a result of which illiteracy was eradicated, universal compulsory elementary education and the mass training of a skilled labor force were implemented and new forms of the sociocultural service of the workers underwent development.

We by right rate highly the outstanding role of the First--the initial--Five-Year Plan, which laid a firm foundation for all the future economic plans and became the forefather of the remarkable galaxy of Soviet five-year plans. The First Five-year Plan demonstrated the greatness of the feats of labor of our people, which L. I. Brezhnev called "true battles for socialism."²

Major economic programs aimed at the completion of the technical modernization of the national economy and the development of a new production base for all its sectors were implemented according to a plan during the period of the prewar five-year plans. In the volume of industrial production and

2. L. I. Brezhnev, "50 let velikikh pobed sotsializma" /Fifty Years of Great Victories of Socialism/, Moscow, Politizdat, 1967, p 15.

national income the Soviet Union came out in first place in Europe and second place in the world.

The advantages of the socialist economy were one of the key factors which enabled the Soviet people to conclude World War II (1941-1945) victoriously and to make a decisive contribution to the liberation of the countries enslaved by fascism.

The restoration of the national economy after the conclusion of the devastating, incredibly difficult war was a task of enormous difficulty. The mobilizing and organizing strength of the party, the dedication and unflinching labor enthusiasm of the people and the planned system of management of the economy made it possible to solve this problem in the shortest possible time. Owing to the concentration of resources on the main directions of economic policy and the correct selection of the forms of organizational and mass political work by the end of the Fourth Five-Year Plan, that is, in 1950, the prewar level of industrial production had been exceeded by many times and the restoration of the economy in the regions which suffered from the Nazi occupation was completed.

The next three five-year plans of national economy development (the fifth, sixth and seventh) provided for the substantial quantitative and qualitative growth of the socialist economy. They contained an extensive program for the improvement of the intersectorial and intrasectorial proportions, the technical improvement of production and the increase of the standard of living of the people.

The CC CPSU decree on the anniversary of the First Five-Year Plan notes that the world historic triumph of the Soviet people--the building in the USSR of a developed socialist society, a society of genuine democracy, a high degree of organization, high-mindedness and consciousness of the workers--was the result of the accomplishment of the economic and social transformations. This became possible because by the early 1960's Soviet society, having all the necessary sociopolitical and material prerequisites, was able to launch the building of the material and technical base of communism and to achieve the rapid growth of all the sectors of the economy on the basis of the utilization of the achievements of scientific and technical progress.

A new important stage in the elaboration and implementation of the party economic policy began after the October (1964) CC CPSU Plenum, which thoroughly analyzed the development of the economy and specified the means of further progress. A more thorough study of social demands and the increase of the scientific soundness of the five-year and current plans with allowance for the long-term tasks of socio-economic development--such are the demands facing the theory and practice of planning. The Eighth Five-Year Plan was an important step in solving the indicated problems.

The Ninth and 10th Five-Year Plans, which were drawn up with a breakdown of the assignments by years, were conveyed to the enterprises and associations. The content and structure of the plans were enriched, new sections appeared,

which were connected with the tasks of nature conservation, the economic integration of the CEMA member countries, the improvement of the organizational structure and methods of management and the formation of economic stimulation funds. A cumulative section according to the indicators of the increase in the efficiency of social production is being drafted.

We now have real opportunities to elaborate simultaneously, in a single system of plans the long-term prospects, the five-year and annual plans, relying on scientific forecasts and estimates, on the large amount of experience of long-range planning, which has been gained in our country and in other socialist countries.

The increase of the level of party management of the economy, the improvement of the system of planned management and the dedicated labor of the workers, kolkhoz farmers and the intelligentsia have made it possible to make new progress in economic development. In 1978 as compared with 1965 the fixed production capital of the national economy had increased nearly three-fold, while the national wealth now exceeds 2 trillion rubles. The average annual increase of the real per capita income was approximately 5 percent. Such important problems as mass housing construction, urban development, the growth of the nonproductive sphere and the increase of the wages of workers, kolkhoz farmers and the intelligentsia were solved during this period.

A higher quantitative and qualitative level of all the sectors of production and the service spheres is typical of the current Soviet economy. In the new USSR Constitution it is emphasized that the Soviet economy forms a unified national economic complex, the management of which is carried out on the basis of state plans of economic and social development. This established complex serves as the basis for the consistent implementation of the economic strategy worked out by the 24th and 25th CPSU congresses, which stipulates the basic, long-term goals of social development and specifies the ways of achieving them. The continuous growth in our country of a highly developed production system made it possible to fulfill the immense social program which embodies the main goal of production under socialism--the most complete satisfaction of social demands.

The fulfillment of the assignments of the First Five-Year Plan and the changes of the social nature of labor brought to life such a new social phenomenon as socialist competition. With each year it assumed a greater and greater scale and was enriched with new forms. Under the conditions of mature socialism competition is a mighty motive force not only of economic, but also of social progress, the spiritual and moral flourishing of Soviet society.

The Soviet plans of social and economic development embody the scientifically sound economic policy of the CPSU, which is based on Marxist-Leninist theory and the creative generalization of the practice of building communism. By means of planning the tasks of all the links and levels of the unified economic complex are formulated, a search is made for new approaches which make it possible to take in due time measures which conform to the goals of the development of society and the interests of the workers.

At the same time planning is becoming more complex as the sphere of action of the law of the planned, proportionate development of the national economy expands, the scale of production increases and its structure and operational ties become more complex. It is therefore natural that the Communist Party and the Soviet state are constantly devoting attention to the improvement of socialist planning and to the scientific elaboration of its theory and methodology with allowance for the available experience and in conformity with the requirements of the present stage of development of Soviet society.

While solving the diverse current problems, our party at the same time is outlining the short-range and distant prospects of the overall progress of society. At present work on the drafting of the plan for the 11th Five-Year Plan and the Main Directions of the Economic and Social Development of the USSR National Economy up to 1990 has been launched under the direction of the CC CPSU and the USSR Council of Ministers. This work, in which the central and republic planning organs, ministries and departments and the leading scientific institutions are taking part, is very responsible and complicated. It will be a serious test for USSR Gosplan and all the organs of planning and management.

These plans, as L. I. Brezhnev stressed in his speech to the voters on 2 March 1979, should "completely embody the party economic policy and absorb the latest achievements of economic, scientific and technical thought, all our experience." With allowance for the potentials of scientific and technical progress it is necessary to elaborate coordinated optimum decisions for all the spheres and sectors of the national economy and thereby ensure the dynamic proportionate development of the productive forces, the increase of the national well-being and the consolidation of the defensive capability of the country.

The Communist Party has specified the main way to mobilize new additional sources of economic growth. It is the policy of the utmost increase of the efficiency of social production, that is, the obtaining of the maximum possible socially useful results per unit of expenditures of labor and material resources. The resolute shift of all the sectors of the economy to intensive development as the main condition of the rapid growth of the productivity of national labor is required in order to achieve this goal. The activity of planning and economic organs should now be aimed at this. The consistent improvement of the system of the planned management of the economy in conformity with the requirements of the stage of developed socialism will make it possible to overcome the force of inertia in their practical activity, to develop and implement new approaches to the use of the colossal physical assets being created by the people, to increase the effectiveness of capital investments and to expedite the technical improvement of production.

The USSR Council of Ministers with the participation of USSR Gosplan, the ministries and departments, scientists and experienced workers prepared proposals on improving the planning and the economic mechanism in industry and

capital construction. The goal of these proposals is to increase the level of all the planning work in the national economy, to direct planning and the management of the economy as much as possible toward the most efficient use of the mighty economic potential created in the USSR, the achievement of high end results of the activity of enterprises and the sectors of production and the successful solution of the main problems of our development.

At the November (1978) CC CPSU Plenum L. I. Brezhnev, in speaking about how the practical activity of the planning organs, which are called upon to implement the party instructions on the solution of pressing economic problems, should be organized, emphasized how important the real turn of planning to the questions of efficiency, the intensification of the intensive factors of economic growth and the increase of the level of the balancing of the economy is. In 1978 the CC CPSU Politburo adopted a fundamentally important decree on USSR Gosplan, in accordance with which its rights are extended and its coordinating role in organizing the planning work of the ministries, departments and union republics is enhanced. USSR Gosplan is faced with the tasks of increasing the scientific soundness and balancing of the plans and in interpreting in detail the economic and social problems, in order to find ways for their optimum solution, combining great responsibility with a boldness of initiative and creativity. Thus, the improvement of statewide planning is being backed by measures on improving the work of USSR Gosplan, which are called upon to help it, as was indicated at the 25th CPSU Congress, devote more attention to the elaboration of the main proportions of the national economy, the assurance of the balance of the plan, the drawing up of comprehensive programs, the solution of the problems of economic regionalization and the determination of ways to increase the efficiency of social production.

From the large number of questions of sociocultural and economic construction, on which the science and practice of planning should focus their efforts, I would like to single out the following ones.

First of all it is a question of taking into account in the plans, in conformity with the instructions of the 25th CPSU Congress, the social demands and of providing for their satisfaction with the most rational use of the resources of society, of increasing the efficiency of intersectorial ties and proportions as the most important condition for the achievement of a real balance of our plans.

Under present conditions the social questions are assuming an important role in the formation of the special-purpose instructions of the plans, especially the long-term plans. The instructions of the party on the turn of Soviet economics to the diverse problems of increasing the well-being of the people should find a more and more distinct and complete reflection in planning practice. Planning studies must be carried out, proceeding from the fact that the increase of the material and cultural standard of living of the Soviet people is becoming an urgent need of economic development itself.

In comparison with the prewar period the real income of workers and employees per working person has increased 3.8-fold, that of kolkhoz farmers has

increased 6.5-fold. By the end of the 10th Five-Year Plan about half of the population will have an income in excess of 100 rubles a month per family member, while in 1965, for example, only 4 percent of the population had such an income. The annual payments and benefits from public consumption funds increased 2.5-fold during this period. The structure of consumption of life's wealth improved greatly, the material and spiritual needs of the Soviet people are being satisfied more and more completely.

Under present conditions it is necessary in the plans being drafted to ensure a closer interconnection than ever before of the production engineering factors with the changes in the nature of labor, the improvement of everyday life, the use of nonworking, especially leisure, time and environmental protection. The social problems which are of great importance for the development of society should be studied objectively and carefully during planning studies.

At the same time it is necessary to carefully keep track of how effective the levers of material stimulation are, how they affect the growth of the productivity of national labor. Here it is very important to trace the effectiveness of various forms of stimulation, above all the wage systems, to establish the optimum correlations between the increase of the monetary income of the population and the indicators of the increase of production efficiency, to ensure the coordination of the effective demand with the amount of goods and services being offered to the consumers and to properly determine the rates of development of group B of industry and the service sphere and the structure of the commodity turnover.

The preferential use of the intensive factors of economic growth, which results from the current conditions and tasks of the development of the country, means in the final analysis a changeover to a qualitatively new type of expanded socialist reproduction. It is characterized by an anticipatory growth rate of the results of production as compared with the total expenditures and by a considerable economy of living and embodied labor.

In speaking about the intensification of social production as a natural and leading trend of the economy of mature socialism, the planning and economic organs should also take into account the effect of a number of objective factors which enhance the importance of the intensive forms of development of the national economy and the increase of the efficiency of national labor in the foreseeable future.

It is a matter, first of all, of the demographic situation which is forming in the country as a whole. The increase of labor resources in 1981-1990 will decline greatly as a result of the delayed consequences of the decline in the birth rate during the war. If we take into account the ever increasing demand of the nonproductive sphere and trade for manpower, it seems that the increase of the production of industrial products and the volume of construction and installation operations and transport shipments should be achieved with a constant level of employment, that is, by means of an increase of labor productivity, and in the regions of the European part of the RSFSR even with a decrease in the number of workers.

It is impossible not to take into consideration, second, the sharp change in the geography and conditions of the extraction of raw materials and fuel. The increase of the role of the regions of Siberia, the North and the Far East as the main source of energy resources and the majority of the raw material resources for the economy of the country and foreign trade operations is causing an increase of state expenditures for the recovery of these resources and their transportation to the places of consumption. Moreover, the mining and geological conditions of the deposits being worked are deteriorating, and it will be necessary to invest considerable assets--financial and material--to compensate for the decline in production in some regions.

The acceleration of scientific and technical development is of the greatest importance for the increase of the efficiency of social production as the main source for fulfilling the social program. From this point of view we have to seriously improve the planning of technical progress and take the achievements of science and technology more fully into account in plan drafting. For this the corresponding assignments should not only be a component of the national economic plan, but also permeate all its sections.

The question of improving the elaboration of the methods of planning scientific and technical progress in organic unity with the planning of socioeconomic processes should be included in the recommendations of the conference.

Under the conditions of the intensification of production the question of the more complete consideration of the end results of introducing new equipment and technology has become especially pressing. If new equipment yields a certain impact in the increase of labor productivity, in the growth of production capacities and in the improvement of other economic indicators, we are obliged to fully provide for this impact in the appropriate sections of the plan. Moreover, it is necessary to change over eventually to the planning of the cumulative economic results of scientific and technical progress. In the annual and five-year plans it is necessary to establish the assignments according to the ultimate indicators which characterize the national economic impact from the introduction of scientific and technical achievements. Evidently, in the recommendations of our conference it would be worthwhile to indicate the expediency of converting to this principle of the planning of scientific and technical measures.

At the same time it is necessary to emphasize the importance of establishing a direct dependence of the incentive of specialists on the economic impact which is actually obtained in the national economy as a result of employing new equipment. Recently the State Committee for Labor and Social Problems and the AUCCTU approved a model statute on the payment of bonuses to the workers of scientific research institutes, design bureaus and enterprises for the development and introduction of technical innovations. Apparently, further steps in this direction are also needed, which will make it possible to create the conditions for the anticipatory production of fundamentally new types of machines, equipment, instruments and technology.

When planning scientific and technical progress the planning organs, ministries and departments should direct attention to the embodiment of the most advanced scientific ideas. In this connection it is necessary to emphasize the particular importance of the extensive use when drafting long-range plans of the materials of the Comprehensive Program of Scientific and Technical Progress and Its Socio-Economic Consequences, which was prepared by the USSR Academy of Sciences and the State Committee for Science and Technology.

The potentials of scientific and technical progress are being realized above all in the increase of the technical level of the means and implements of labor and the changeover of the sectors of the economy to new, improved technology. In the fulfillment of this task the decisive role, as is known, belongs to machine building. The solution of the fundamental problems of increasing production efficiency and the growth rate of the entire Soviet economy depends on how we plan its development. Although much work has been done in this sector, it is, however, impossible not to see the serious shortcomings and disproportions, which are occurring in the development of machine building. In the plans of the future five-year plans it is intended to provide for the anticipatory increase of the production of machine building, in order to expedite the development of this key sector of the national economy.

The policy in the area of capital construction and the distribution of capital investments plays the most important role in the planning of the re-equipment of the economy. An enormous amount of construction work has been performed in the USSR during the years of the five-year plans. This ensured the planned development and technical equipment of all the sectors of the national economy and the rapid growth of the economy of the union republics and economic regions of the country.

At the same time the questions of increasing the efficiency of capital construction are now becoming more and more urgent. The accelerated development and commitment to the national economic turnover of the natural resources of the eastern and northern regions of the country require the making of substantial adjustments in the state policy of capital investments. Taking into account the need to develop in these regions a number of capital-intensive works, as well as the fact that a large portion of the fixed production capital is concentrated now in the European part of the country, it is expedient in the future to increase considerably the amounts of capital investments in the reequipment and modernization of the operating enterprises in the settled regions. The increase of the national economic efficiency of production and the rate of development of the natural resources depend on how successfully we will be able to carry out this planning maneuver.

At the November (1978) CC CPSU Plenum the planning organs along with the clients and builders were justly criticized for such serious shortcomings in capital construction as the dissipation of capital investments, the increase of the amount of unfinished construction and the availability of a

large amount of uninstalled equipment, including imported equipment. The elimination of these shortcomings is the direct obligation of the workers of planning organs and economic management. At present steps are being taken to concentrate forces and material and technical resources at the most important sections of capital construction and to bring the work front in line with our real potentials. This will make it possible to expedite significantly the placement into operation of the projects being built.

In order to ensure the stability of the five-year plans for capital construction it should be indicated in our recommendations that the approved title sheets are fixed planning documents for the entire construction period, and the need to regulate planning estimate work and to enhance the role of the final indicators in the evaluation of the activity of construction organizations should also be emphasized.

The serious difficulties existing in the work of transport were indicated at the same CC CPSU Plenum. It has now become customary for the executives of the departments to seek the allocation of new trucks and tractors and the acceleration of the development of traditional types of transport, but here they are dealing poorly with the use of new economical types of transport. Meanwhile, domestic developments and the gained experience show that we have the means to introduce advanced types of transport, which are capable of improving freight traffic significantly. It is a matter, for example, of pipeline container transport, the use of which might replace a large number of motor vehicles, partially relieve the railroads over short distances of the shipments of construction materials, coal, ore and agricultural products. The first such systems of pipelines have already been built in Georgia, Moscow and Gor'kovskaya oblasts, the designs of the equipment have been developed. Technical and economic estimates show that the use of pipeline container systems decreases the cost of shipments to one-fifth to one-fourth as compared with motor transport. Moreover, there are good prospects for introducing other advanced types of transport: slurry pipelines, container trains and others.

The extensive introduction of pipeline, container and other continuous types of transport will make it possible to save considerable material and labor resources.

One of the principles of the socialist management of the economy consists, as is known, in the close combination of sectorial and territorial planning. Under present conditions the consistent implementation of this principle is assuming an even greater role than ever before: the economic potential of all the union republics has grown to an enormous extent, the economic ties between them have become more complicated. In recent years the CC CPSU and the USSR Council of Ministers have adopted a number of decrees, in which the rights and duties of the ministries, departments and councils of ministers of the union republics in the planning of economic and cultural construction have been specified. However, in practice the coordination in the development of the sectors and economic regions, which would completely conform to the new conditions and requirements of great production efficiency, has not yet been achieved.

The plans of the comprehensive economic and social development of the union republics, economic regions, oblasts and cities, as well as the plans now being drafted for the formation and development of territorial production complexes, especially in the eastern part of the country, should become an important instrument for accomplishing this task. Special attention must be devoted to the increase of the level of the scientific soundness of these plans and to the organization of the monitoring of their fulfillment. In this connection it is necessary to reinforce the republic and local planning organs and to enhance their role in solving the questions of using natural and labor resources, in planning sociocultural construction and the increase of the standard of living of the population, the development of the infrastructure and the interrelated works on the given territory.

The workers of science and practice are faced, in particular, with the task of elaborating effective methods of the planning of territorial production complexes, devoting particular attention to the formulation of comprehensive programs within the national economic plan. I believe that it is also necessary to reflect these questions in the recommendations of our conference.

Lenin's strategy of building a socialist society, as was indicated above, includes the social transformation and radical reconstruction of agriculture. And under present conditions the party is pursuing an active agrarian policy, which is being embodied in the national economic plans and is being backed by the appropriate distribution of resources. A set of major measures on the development of agriculture and the improvement of the planning of agricultural production is outlined in the decisions of the July (1978) CC CPSU Plenum. The plenum decisions are the basis for the drafting of further plans of the development of agriculture.

The amount of capital investments in this sector has increased sharply in recent years, their proportion in the total capital investments has grown systematically: in 1966-1970 it was 23 percent, during the Ninth Five-Year Plan--26 percent, during the 10th Five-Year Plan this proportion will increase to 27 percent, and with allowance for related sectors--to 32-33 percent.

During 1976-1978 alone more than 1.01 million tractors, 320,000 grain harvesters, nearly 800,000 trucks and much other equipment were supplied to agriculture. Our countryside received during these years more than 230 million tons of mineral fertilizers. All these material and technical resources are supplying agriculture with everything necessary to implement the major measures on the further increase of the production of the products of plant growing and livestock breeding.

During the 11th Five-Year Plan the proportion of the capital investments in agricultural production will be no lower than the achieved level. The task has been set to complete during the next five-year plan the overall mechanization of the cultivation of the most important agricultural crops and to increase the level of mechanization in livestock breeding and fodder production. The deliveries of mineral fertilizers will increase significantly,

land reclamation will be further developed. The specialization and concentration of agricultural production on the basis of interfarm cooperation and agro-industrial integration will be carried out more actively.

The planning and economic organs are faced with the responsible task of steadily increasing the efficiency of agricultural production and ensuring the most efficient distribution and use of the capital being allocated to agriculture and the sectors serving it.

The enhancement of the role of agrobiological factors for the maximum increase of the yield of products per unit of area is an important direction in the development of agricultural production. Another problem is to protect as much as possible the agricultural products which have been produced and to reduce sharply their losses. A special meeting of USSR Gosplan was recently held to discuss this problem. Specific measures were outlined, the implementation of which will make it possible to save many millions of tons of agricultural products for the population and industry. This problem should be solved by the joint efforts of kolkhozes and sovkhoses, economic, party and soviet organizations, ministries and departments.

The efficient use of raw materials, materials and fuel, the strict observance of the policy of economy and the tightening up of the control of losses in all sections of the economy are assuming particular importance for the most complete satisfaction of the increasing demands of the national economy. We have now achieved such enormous production volumes of raw materials and fuel, that it seems impossible to develop it further at such a rate. The main task reduces to the maximum possible improvement of the use of these resources. An important role in this matter belongs to planning.

Let us take such a currently urgent problem as the supply of the national economy with metal. Much capital is being spent in our country on its production. In 1978 the USSR produced more than 150 million tons of steel. Nevertheless metal continues to limit the development of a number of sectors of the Soviet economy.

Often we spend much effort on seeking reserves to increase the production of metal. Of course, it is necessary to do everything possible to increase its resources in the future as well. However, the main thing today is to achieve the qualitative reorganization of the work of both the metallurgical industry and the sectors which consume metal products--machine building, construction and others. The reserves here are great. There are, in particular, considerable opportunities to reduce the consumption of metal in ferrous metallurgy itself by the extensive use of the continuous smelting of steel, the treatment of molten steel with synthetic clinkers and inert gases and the use of other methods. Metallurgy should provide consumers with metal which meets the requirements of its economic use. The machine builders have to work in earnest on lightening the designs of machinery and equipment and on using advanced types of rolled products, which do not require much machining by cutting. The replacement of ferrous metals by polymer materials in the metal-consuming sectors also promises a substantial saving.

Let us turn now to the question of the planning of such an important national economic complex as the fuel and power complex. In recent years some difficulties have appeared in its development in connection with the increase of fuel consumption and a number of other circumstances. That is why in the planning of the fuel sectors the emphasis should be placed and is being placed on the increase of the efficiency of the use of fuel and power, as well as on the development of atomic energy and water power, and capital investments should be allocated above all for these purposes. Estimates show that the expenditures which ensure the more efficiency consumption of fuel and power, as a rule, are one-half to one-third as much as the capital investments in the extraction of fuel and energy resources and their delivery to the place of consumption.

At the same time we should increase the impact which can be obtained owing to the extensive use of secondary materials. During 1971-1978 about 35 million tons of secondary resources were collected and processed in the country, including 15 million tons of waste paper, more than 4 million tons of textile materials, 2.5 million tons of worn out tires and others. This made it possible to produce industrial products worth about 8 billion rubles with an economic impact of 2.3 billion rubles. However, the scale of this work cannot satisfy us, and in the national economic plans we should provide for the most complete commitment of secondary materials to the turnover, which will make it possible to increase significantly the output of products for the national economy and the population.

It is possible to cite other examples which confirm that the solution of urgent problems involves above all the increase of production efficiency. For this it is necessary to incorporate in the plans a manufacturing method which would increase the completeness of the processing of raw materials and would provide a large output of finished products and at the same time improve the quality of the materials, which ensures their economy for the consumers.

One of the urgent problems of the improvement of planning is the intensification of the comprehensive approach to the solution of major intersectorial problems. In this connection much work should be done on improving the long-range planning of the fuel and power sectors, the sectors which produce construction materials, construction, machine building and instrument making, the chemical industry, and on producing consumer goods.

The further intensification of the comprehensive approach in planning involves the development of a system of scientific, technical and economic programs of the national economy. The implementation of the comprehensive programs elaborated in recent years for the development of agriculture of the Nonchernozem Zone of the RSFSR, the development of the natural resources of Western and Eastern Siberia and the North and the building of the Baykal-Amur Main Rail Line, industrial and timber industry complexes in the Far East and major industrial centers in Kazakhstan and Central Asia is of exceptionally great statewide importance. A number of large-scale scientific and technical programs, such as the programs of the development of laser and

plasma technology, the use of atomic energy for peaceful purposes and a number of others are being implemented during the 10th Five-Year Plan in conformity with the decisions of the 25th party congress.

In connection with the directive of the congress on the more extensive use of the program-goal method in planning we have to step up the scientific elaboration of a number of theoretical and methodological questions with allowance for the experience of the practical employment of this method in planning practice at the national economic, sectorial and regional levels.

Centralized planning is called upon to ensure the improvement of the methods of substantiating the main physical and material proportions of reproduction, the unity of the physical and value indicators of economic development and the necessary coordination of production and consumption. Of great importance in this area are the physical balances compiled by USSR Gosplan, which make it possible to concentrate resources on the development of the decisive sectors of the national economy and to formulate the necessary proportions in a purposeful manner. In past years some work has been done on improving the compilation of physical balances and the plans of distribution. The establishment of the physical balances in the plan for the 10th Five-Year Plan not only for the final year, but also by years of the five-year plan, increased the soundness of the national economic plan and determined more correctly the interaction of allied sectors.

At the same time the increase of production volumes, the enlargement of the products list and the complication of operational ties require the most efficient use of material and technical resources, the creation of the necessary reserves and the further intensification of all balance sheet work. The shift from one-product material balances to multiple balances of interchangeable materials will be of great importance in this area.

The soundness of the material balances and the plans of distribution depends on the availability of a reliable and progressive standard base and sufficiently complete statistical reporting. Unfortunately, in recent times such significant improvements in the organization of the work on improving the standard base of planning have not occurred. This, in our opinion, is a serious oversight in the activity of the planning organs, ministries, departments and scientific institutions. It is necessary to take urgent steps on improving the standard base of planning, so that the scientifically sound norms and standards of the use of resources would become the underlying element when determining the ways of intensifying production.

The further improvement of the system of indicators of the plan and the criteria of the evaluation of the activity of ministries, associations and departments and the better utilization of economic levers are of great importance in achieving great production efficiency. In conformity with the decisions of the 25th party congress and the CC CPSU plena, USSR Gosplan with the participation of the central departments has done some work on

stepping up the direction of the attention of associations and enterprises toward the improvement of the quality indicators of their work. Thus, the size of the incentive funds now depends on the fulfillment of the assignments of the five-year plans on the growth of labor productivity, the increase of the proportion of products of the highest quality category in the total production volume, the increase of the profitability and the reduction of the production cost. The dependence of the size of the incentive on the fulfillment of the deliveries of products in physical terms according to concluded contracts has also been established. However, it is impossible to recognize the effectiveness of the steps taken as adequate. The point is that all this concerns only the size of the incentive of associations and enterprises, while the evaluation of the activity of ministries and other organs remains basically the same. It is necessary to see to it that the evaluation of the work according to the quality indicators would fully pertain to all the levels and links of economic management. This work should be combined with the tightening up of state planning discipline in the national economy.

During the 11th Five-Year Plan, apparently, it is expedient to increase the use in a number of sectors of the indicators of the growth of the production volume and labor productivity, which are calculated according to the standards of the net production or other indicators, which reflect more correctly the efforts of the labor collectives and the efficiency of their work. The role of physical indicators, which are of decisive importance in observing the physical proportions and, in the end, in the balancing of the economy, should be enhanced in planning and economic stimulation.

The work presently being performed by USSR Gosplan on refining the system of indicators of the national economic plan, in which primary importance is attached to the evaluations of the consumer attributes and quality of the products, so that they would meet the current demands of production and demand, in our opinion, will be of particular importance.

When speaking about the current problems of planned management, it is impossible not to point out the increased role of our foreign economic ties, above all with the countries of the socialist community. The economic, scientific and technical cooperation of these countries and the international socialist division of labor have been transformed into one of the factors of the solution of the socio-economic tasks being advanced by the Communist and workers' parties of the CEMA member countries.

The development of socialist economic integration required the detailed elaboration of the methods of managing this international economic process. Thus, the special section, "Measures on the Development of the Socialist Economic Integration of the USSR With the CEMA Member Countries," was included for the first time in the State Plan of Economic and Social Development of our country for 1976-1980. Such sections exist in the plans of the fraternal countries. Much that is new and useful has been included in recent years in joint planning activity. The Coordinated Plan of Multilateral Integrational Measures of the CEMA Member Countries for 1976-1980 was drafted. This plan called for the joint construction of 11 major

integrational projects with a total amount of capital investments of about 9 billion rubles. Among them are such projects as the major Ust'-Il'msk Cellulose Plant and the Kiyembayevskiy Asbestos Mining and Concentration Combine. The construction of the route of the Soyuz gas pipeline with a length of nearly 3,000 km has been completed.

The enormous scale of the problems being solved by the CEMA member countries presumes the coordination of economic policy for the long-range future. The 32d CEMA Session approved the first long-term goal programs of cooperation in the area of power engineering, the production of fuel and raw materials, the development of agriculture and the food industry and machine building and the increase of the production of industrial consumer goods.

Integration is proceeding in other directions. For example, bilateral programs of the specialization and cooperation of production for 1981-1990 are being drafted.

The implementation of major integrational measures is increasing the demands on national planning and on the Coordinated Plan of Multilateral Integrational Measures. The problem is for the content of these programs to be reflected properly in the national plans and in the plan for 1981-1985, which is being coordinated with the CEMA member countries.

The scale and complexity of the problems of further improving the system of the planned management of the socio-economic development of society are making it especially urgent to expand the front and intensify the scientific research, which promote the rapid development of the economy on the most modern, advanced basis.

In the past eight years alone the number of scientists has increased by 41 percent, while the expenditures of the state on the development of science have increased by 63 percent. Our science has won world recognition, unquestionable priority in the progress of a large number of basic and applied fields of knowledge belongs to it. However, in a number of instances scientific research is of nonpurposeful nature, is aloof of the vital demands of economic practice and does not provide the proper impact. And at the same time it must be admitted that some useful results of the scientific developments due to the inertia and sluggishness of the workers of departments remain unimplemented, which does harm to the country.

We must develop in every way the constant cooperation of planning and economic organs with the collectives of scientific institutions. The consolidation of the creative ties between scientists and experienced workers will make it possible to concentrate the attention of researchers on the basic questions of the improvement of planning and to organize the more precise coordination of the activity of various scientific collectives--the system of USSR Gosplan and the Gosplans of the union republics, the USSR Academy of Sciences, the ministries and departments. As a result a unified work front should be provided, which encompasses both the effective organization of scientific research and the quickest possible introduction of the

valuable results obtained by scientists in the practice of planning and management. This is our common cause, our common duty to the country, and we should fulfill it with honor.

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MARXISM-LENINISM USED AS BASIS FOR ECONOMIC PLANNING

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[Article by V. Medvedev, doctor of economic sciences, rector of the Academy of Social Sciences under the CPSU Central Committee: "Marxist-Leninist Doctrine--The Scientific Basis of Planning Economic and Social Development"]

[Text] In the CPSU Central Committee resolution "On the 50th Anniversary of the First Five-Year Plan of Development of the USSR National Economy" socialist planning is described as one of the major scientific and social achievements of the 20th century and of the revolutionary practice of transforming social life, attained on the basis of Marxism-Leninism.

Scientific communism gave a deep substantiation of the possibility and necessity of planned regulation of production in the society of the future, conjecture about which was expressed even by the utopian socialists. K. Marx and F. Engels, and later V.I. Lenin proved that production, based on machine technology, by virtue of its very social character requires planned management and control. But it is possible to realize this demand only with public ownership of the means of production, which puts an end to the exploitation of man by man and subordinates production to the satisfaction of his needs.

In the process of establishment of the socialist economy the idea of planned development found practical embodiment and in addition all-round development and enrichment.

Advanced and substantiated in the works of V.I. Lenin are the conclusions and principles which have made up the foundation of the economic theory of socialism. A special place in the Leninist theoretical legacy is occupied by problems of management and planning. In essence, V.I. Lenin did not leave any one of them without attention--from the general methodological aspects of management to the concrete methods and forms of planning.

Having fundamental methodological significance are the Leninist principles about a radical change in the economic role of the state under the conditions of socialism. In the second Party Program, worked out under the direct leadership of V.I. Lenin and adopted by the 8th congress of the

NEP(b) [Russian Communist Party (Bolshevik)], it is written on this subject: "In the age of the started socialization of the means of production expropriated from the capitalists, state power will cease to be a parasitic apparatus standing above the production process; it will begin to be converted into an organization directly fulfilling the function of management of the country's economy..."¹

V.I. Lenin's conclusion about the superiority of politics over economics shows what a huge role in the struggle for building socialism he imparted to the subjective factor, to the conscious activity of people, organized in the state and directed by the party. And at the same time, describing politics as a concentrated expressor of economics, V.I. Lenin did not absolutize politics, he excluded subjectivism and scheming.

Filled with deep meaning is Lenin's description of the long-range national economic plan as the "second party program."² Emphasized thereby are the political direction of the plan, its unbreakable connection with the party policy, and the huge significance of the plan as a concrete embodiment of party policy and the main lever for implementation of deep-seated socio-economic changes. Connected with this are the Leninist teachings about the significance of the long-range plan for all political and propaganda work, called upon to "attract the mass of workers and conscientious peasants with a grand program for 10-20 years."³

Directly related to planning is the development by Lenin of the principle of democratic centralism in the management of the economy. The attempt to legalize the ownership of individual groups of workers for their "own" production or to hinder the decree of state rule was considered by Lenin to be a distortion of the basic principles of Soviet rule and a rejection of socialism.

In addition he considered possible the broader participation of the workers in management of all matters of society as the most important task of socialist construction, a guarantee against bureaucratism and technocratism, and the guarantee of acceleration of social progress. "In the final accounting therefore our revolution has left all the other revolutions far behind because it has been lifted over Soviet rule to active participation in state construction scores of millions of those who previously remained uninterested in this construction."⁴

Advanced by V.I. Lenin and developed in detail was the idea of unity of the national economic plan. "All the plans of individual sectors of production," he wrote, "should be strictly coordinated, related and make up together that unified economic plan we need so much."⁵

V.I. Lenin adhered to this opinion unfailingly also during the transition to the NEP, which assumed a considerable broadening of the independence of economic units, and commodity-monetary relations between them. "The new economic policy does not change the unified state economic plan and does not go beyond its limits, but changes the approach to its implementation."⁶

It is no accident that in February 1921, that is, simultaneously with the development of the basic ideas of the new economic policy, Gosplan was formed.

V.I. Lenin gave especial attention to securing the scientific character of planning. We need, he noted, "broad plans not taken from fantasy, but reinforced by technology, prepared by science..."⁷ V.I. Lenin regarded planning as a scientific research process, carried out with the participation of a large group of scientists, and scientific collectives. He named the plan for reorganization of industry and for the economic upswing of Russia the "plan of scientific and technical works."⁸ V.I. Lenin considered Gosplan to be a scientific institution.

In analyzing the merits of the GOELRO plan, V.I. Lenin also formulated such basic principles of planning as the combination of sector and territorial, long-range and current planning, and others.

The most important step in establishment of the planned socialist system of economy was the first five-year plan, the 50th anniversary of which we are marking. As a result of its fulfillment a decisive step was made in the reconstruction of the national economy, a firm material foundation was laid for construction of a socialist society. Planning found the socioeconomic basis adequate for it in all spheres of the national economy.

Development and implementation of the first five-year plan were accompanied by the development of the economic theory of socialism. It occurred under the flag of a sharp struggle with bourgeois, leftist and rightist-opportunist view on questions of economic policy, and problems of socialist construction as a whole. In the course of this struggle the party stood firm and developed the Leninist doctrine about the content of the transitional period from capitalism to socialism.

The Trotskyites and Bukharinites proceeded from a two-sector model of the economic system of the transitional period. Here the first regarded as these two sectors the state economy and the private, to which in full accord with the Trotskyite idea of the peasantry as a solid reactionary mass pertained not only private economy capitalism, but also small-scale commodity production. Advanced by them was the affirmation of the presence of two regulators of public production--the law of value in the private sector and the law of primary socialist accumulation in the state sector. Socialist accumulation was conceived owing to the peasantry, which was regarded as a "colony" of proletarian industry. The law of value was interpreted only as a randomly operating one, and later was completely excluded from the state sector. The value categories--price, money--were declared to be empty, not having their own content of form.

The party decisively rejected the Trotskyite proposals about super-industrialization owing to exploitation of the peasantry as destructive for socialist construction.

The right-wing opportunists, in essence, ignored the capitalist structure, they did not want to notice the process of differentiation of the peasantry. They perceived the main sense of the cooperative plan in the setting up of a trade link with the peasantry, putting off the task of socialization of production for the indefinite future. The law of value was interpreted by the Bukharinites only as a form of an extra-historical "law of labor outlays." The party revealed the capitulatory character of right-wing opportunism, the policy of rooting the kulak in socialism, of "cotton" industrialization, of rejection of the radical socialist reconstruction of the national economy.

Finding concrete embodiment and development in the first five-year plan was the Leninist idea of the content and basic goals of the transitional period, including a firm political and economic union of the working class and the laboring peasantry, and recognition of the necessity for the victory of socialism for a thorough reorganization of the national economy on the basis of the machine industry and socialist reorganization of small scale commodity production.

In the CPSU Central Committee resolution "On the 50th Anniversary of the First Five-Year Plan of Development of the USSR National Economy" it is noted that "this was the first complex plan, in which a scientific basis was given for the rates and proportions of the country's economic and social development."⁹ Set forth in it were many ideas, based on which science later formulated major laws of the socialist economy. The party even then proceeded from the Leninist principle comprising the essence of the basic economic law of socialism, that socialist ownership of the means of production subordinates its development to satisfaction of the needs of the workers. Also resolved was such a major social problem as elimination of unemployment, vast progress was made in the education and culture of the population, in social security and so on.

The practice of planning the national economy has yielded very rich material for theoretical generalizations on questions of socialist reproduction. Developed and extended was the idea of the relationship of two subdivisions of public production, the role of heavy industry, the ratio of consumption and accumulation. In the process of overcoming wage-leveling, manifested still more distinctly was the necessity of distribution according to labor and the forms of its implementation.

The Leninist concept of planning the national economy has been greatly enriched. A number of bourgeois and petty-bourgeois economists (N. Kondrat'yev, V. Groman, V. Bazarov and others) attracted in the 20's to planning work as specialists attempted to treat the Soviet economy as a variety of a commodity-capitalist economy, only with somewhat greater development of the planning and forecasting role of the state.

In opposition to this in practice and in theory firmly affirmed was the understanding of the national economic plan not only as a forecast, but also as a plan-directive, as an active lever for transformation of the

economy and culture, of socialist construction, as an expression of the needs of social development, the will and interests of the working class, of all workers.

The close connection of planning with the creativity of the masses found vivid embodiment in the first five-year plan. It is natural and symbolic that along with the birth of the first five-year plan, mass socialist competition was developed. The plan and the competition of the masses are united and inseparable, as levers of a consciously controlled process of the development of socialism. The plan is the state assignment to each structural unit, to the labor collective, to each participant in public production. On its part, namely the living creativity of the masses turns the plan into a real changing force.

In the course of development and implementation of the first five-year plans advanced and approved were many progressive ideas in the field of planning, for instance the principle of the optimum; the balance sheet method was widely used; and important elements were worked out for the program-target approach to solution of large-scale national economic problems.

The years of the first five-year plan were a turning point in determination of the fate of commodity-monetary relations in the socialist economy. The transition to reconstruction of the national economy, forcing out the capitalist elements, and socialist reorganization of the countryside served for the leftist elements as the basis to consider that the moment had come for abolition of commodity-monetary relations.

The objective conditions required not abolition of commodity-monetary relations, but adaptation of them to the conditions of undivided supremacy of the socialist economy, of all-possible use in the interests of its reinforcement. The leftist affirmations about abolishment of commodity-monetary relations were censured in May 1931 in the address of the SNK USSR [USSR Council of the National Economy], the Central Committee of the VKP(b) and the Tsentrosoyuz [Central Union of Consumer's Societies], "On the Consumer Cooperative." The 17th conference of the VKP(b) pointed to the anti-bolshevist character of the leftist phrase about the dying away of money and the transition to product exchange. In these years the Soviet state implemented a number of measures for strengthening the credit and finance system, and brought it into accord with the new conditions and the demands of development of a planned economy.

Thus on the basis of the Leninist legacy, the experience of operation of the socialist national economy, organized, refined and enriched step by step was the group of ideas, principles and conclusions yielding the theoretical reflection of the newly arising economic system.

This process was accompanied by the overcoming of the idea that was widespread in the 20's that with the destruction of the random commodity-capitalist economy will come the end of the objectively operating

economic laws, from which the conclusion was reached about the lack of necessity and the impossibility of the political economy of socialism. Such a position was actively spread by both the right-wing and the left-wing opportunists, ignoring, in essence, the instructions of the founders of Marxism-Leninism about the necessity of creating a political economy in the broad sense.

Meanwhile the demand for systematic statement of the theoretical problems of the socialist economy has become even more acute. Individual excursions in this field were not satisfactory. A special supplement appeared to the academic course in the political economy of capitalism under the name of "Theory of the Socialist Economy," and also a special course in "Economic Policy of the USSR."

Of fundamental importance was the publication in 1929 of V.I. Lenin's remarks about Bukharin's book "Economics of the Transitional Period," made by him back in 1920. V.I. Lenin decisively disagreed with Bukharin's opinion that with the end of capitalism the end of political economy will also come; he mentioned F. Engels' position about political economy in the broad sense; and he pointed out that even under communism society will not be free of economic necessity. This opened broad opportunities for formation of the political economy of socialism.

In 1936 it was recognized as necessary to single out the economic theory of socialism in an independent section of the course in political economy, and to teach political economy as a science in the broad sense of the word. Work was begun to prepare a textbook on political economy.

It must be said that recognition of the economic laws of socialism even after this during an extended period was combined with their subjectivistic interpretation as a product of the conscious activity of people and the state. Considered as the initial economic law was the dictatorship of the proletariat. Much effort was required in order to be freed of subjectivism in the understanding of economic laws. The draft of the textbook in political economy was subjected to a thorough discussion first in January 1941 and then after the war, in 1951, and three years later the textbook was published. Although the textbook was not free of arbitrary affirmations, of postulated formulas, its publication was a great event in scientific life, a definite result in establishment of the political economy of socialism and the whole complex of economic sciences.

At the present stage the development of our society is the stage of mature socialism, when we are completing the reorganization of the totality of social relations on collectivistic principles internally inherent to socialism, and the role of Marxist-Leninist theory, as was noted at the 25th CPSU Congress, will grow still more.

Developed socialism is the highest achievement of the social progress of humanity, and its theoretical expression--the concept of developed

socialism, created by the collective efforts of the CPSU and other fraternal parties of socialist countries--is a new chapter in the theory of scientific communism, the notable achievement of Marxist-Leninist creative thought. Disclosing the basic features and advantages of developed socialism, it shows the paths of our future development, of resolution of contradictions, of attainment of new limits on the path of communist construction. "To realize fully the opportunities of developed socialism," stated L.I. Brezhnev at the solemn session devoted to the 60th anniversary of October, "is in this, if you wish, enthusiasm of our time. This also determines the measure of responsibility placed on us today by history."¹⁰

Mature socialism creates favorable conditions for development of economic theory, just as all other sciences about the socialist society, for raising them to a qualitatively new level. This is connected with the more complete manifestation of the objective laws of socialism, the action of which is considerably less than earlier, overshadowed by historically concrete conditions and factors. The building of socialism in a number of countries makes it possible to make more substantiated conclusions in relation to the new social system.

Along with this becoming especially acute is the need for an all-round developed economic theory, which would give a scientific basis for serious reorganization of the economic mechanism, directed at thorough intensification of the economic system, a significant increase in its effectiveness in accordance with the conditions and needs of developed socialism, of the present scientific and technical revolution. The importance of such reorganization was again indicated by L.I. Brezhnev at the November 1978 Plenum of the CPSU Central Committee and in a speech to the voters of Baumanskiy okrug.

In the last 10-15 years economic theory has moved ahead considerably. Based on the fully affirmed position about the objective character of economic laws, political economy has developed in a broad front the analysis of their concrete content and system. Much has been done in the study of the mechanism of action and the utilization of economic laws, the role of economic policy, of the conscious actions of people in the functioning and development of the socialist economy.

The relative independence of economic policy, its growing theoretical capacity, in our view, make justified and necessary the existence of an independent scientific discipline about economic policy. But right now, in distinction to the 20's and 30's, it is not replacing the political economy of socialism, but is fully based on it.

A great step has been taken in establishment of the theory of economic management. It has arisen at the junction of a number of sciences--first of all economic sciences, and also cybernetics, sociology, psychology, law and so on.

Work is being done intensively on economic problems of the scientific and technical revolution, its influence on the growth of the social character of modern production, the methods of measurement and the ways to increase the effectiveness of scientific and technical progress and of capital investments, and being carried out is the development of functional and sectorial economic disciplines, including the science of planning.

An indicator of the growing degree of maturity of economic science can be the growing degree of its mathematization. Substantial work has been done in the field of constructing mathematical models of economic processes.

The major source of development and enrichment of economic theory is the active creative activity of the party, of its Central Committee. Formulated in the materials of party congresses, resolutions of the Central Committee, reports and speeches of L.I. Brezhnev are conclusions and principles which have fundamental significance for development of economic theory, just as of Marxism-Leninism as a whole. Active creative work is being conducted by scientific institutions, by vuzes, by the whole large detachment of Soviet economists. The party regards with attention the creative search for answers to the new problems posed by life, it directs the efforts of the scientists to the working out of the most urgent problems. This is served by the instructions of the party congresses, by the resolutions of the CPSU Central Committee of 14 August 1967, "On Measures for Further Development of the Social Sciences and Increasing Their Role in Communist Construction," and of 21 December 1971 about the work of the party organization of the Institute of Economics of the USSR Academy of Sciences, and by other documents.

Along with this the task of raising economic theory to a qualitatively new level, corresponding to the present stage of development of society, still is far from solved. With respect to a number of fundamental questions the basic aims of the 24th and 25th party congresses, of the plenums of the Central Committee have not received adequate in-depth and complete development, which cannot but affect the practice of management of economic development. I would like to dwell on some of these.

On the Goals of Socialist Production

The change of the direction of the national economy to more extensive and complete satisfaction of the needs of the workers dictates the necessity of an increase in attention to working out problems connected with the needs of society, to the creation of scientifically based ideas about the optimum structure of social needs and the laws of a change in it in the future, which was discussed in the report by N.K. Baybakov. In addition, account should be taken of the whole totality of factors which affect the volume and structure of demand--the general sociological, those specifically pertaining to socialism, and the concrete historical.

V.I. Lenin noted the general historical law of an increase in demands, which is expressed in the change in their volume and structure, in the methods of satisfaction under the influence of the progressive development of the productive forces of society, science and culture. The demands cannot exist outside the system of social relations, the social environment, ideology, spiritual culture, the moral-psychological atmosphere in society. In this sense the structure of the demands of people is closely dependent on the sociopolitical system. The character and structure of demands are also influenced by concrete-historical, and geographical, and even national-domestic factors.

The process of a change in demands with all its complexity and multiplicity of factors demands conscious control. Random development in this area may lead sooner to the reproduction of already known standards of consumption, which for decades have been rooted in the old society than toward movement in the direction of fundamentally new forms and structure of consumption of the future communist society.

The creation of a scientifically based picture of rational demands, the achievement of qualitative stages of well-being on the road to communism on the basis of growth in production is a rather complex task. Required in the solution of it is the participation of all sciences about man, both natural and social sciences. Establishment of scientifically based norms of consumption of the basic foodstuffs and industrial goods is only part of the task, and then not the most complicated part. Needed are scientifically based parameters also of such components of well-being as the nature and conditions of labor, the duration and fullness of working and free time, education, culture, housing, opportunities for leisure, for engaging in sports, protection of the dwelling environment, the level of social and spiritual needs, the social independence of people, their participation in administration, and ideological, moral, esthetic and even political needs.

One of the main problems on this level is the relationship of material, social-political and spiritual demands. Stressed at the 25th CPSU Congress was the necessity of conducting the work in such a way that the "growth in material opportunities will be constantly accompanied by a rise in the ideological-moral and cultural level of the people. Otherwise we can have relapses of narrow-minded, petty bourgeois psychology."¹¹

Of fundamental importance is the question of the social forms of satisfying demands--of the relationship of individual and collective forms of utilization of wealth, of private and public property for objects of consumption, distribution according to labor and public consumption funds. In-depth working out of these problems is a necessary prerequisite for a correct policy in the area of regulation of the incomes of the population, of increasing its stimulating role, including in production, and further development of the socialist way of life.

About the Effectiveness of Public Production

Recently there has been an increase in attention to methodological problems of the effectiveness of public production. However it has not received due political-economic interpretation. In certain textbooks on political economy there is no consideration at all of the category of the effectiveness of socialist production as such, and an account of only its particular manifestations is given. Meanwhile in party documents the problem of the effectiveness of production is raised namely primarily in its general, fundamental form.

In economic literature recently the idea has been expressed repeatedly that it is necessary to approach the effectiveness of production taking into account its social results. A concept of the socioeconomic effectiveness of production is being proposed. Such an approach to the matter is connected with the subordination of socialist production to the highest goal of socialism. But underlining the ultimate, social effectiveness of production should not weaken the attention to its economic effectiveness. This is both a necessary stage of knowledge and the basis of socioeconomic effectiveness.

Measurement of the economic effectiveness of production is a task that is more limited than the expression of its socioeconomic effectiveness, but even here not all the problems have been solved. Moreover, until recently many authors in general rejected the possibility of measurement of the effectiveness of production on the level of the national economy, the sector, or the enterprise by means of a single indicator.

Economic planning practice also cannot manage without a single expression of the effectiveness of production. The components of effectiveness--labor intensiveness, material intensiveness, capital intensiveness and the quality of output--change at various rates, and often in opposite directions. So that for a final conclusion about the effectiveness of one measure or another, for measurement of the dynamics of effectiveness a generalizing indicator is necessary. The connection between the components of effectiveness must be sought, in our opinion, in the saving of labor, of working time, which, as K. Marx felt, remains the first economic law at the basis of collective production.

About the Planned Nature of the Socialist National Economy

The politico-economic category of planning is most closely connected with planning of the national economy. This is exactly that objective property of the socialist economy which makes planning of the national economy possible and necessary.

In a developed socialist society the unity of the national economy grows, and along with this its dynamism increases in the sense of changes in the scientific and technical level, changes in proportions. In connection with this there is an increase in the demands on planning, called upon to

ensure balanced development of production on the basis of progressive scientific and technical decisions. Each disproportion causes a chain reaction in the national economy, which it becomes more and more difficult to stop.

The balanced nature of the national economy is an exceptionally important prerequisite for increasing efficiency and, on the contrary, disproportions, shortages are the antipodes of effective management. The latter sharply weakens control on the part of the consumers both over the quality of output, and over the level of expenditures, the action of all material levers and stimuli.

Often in books and articles on problems of planning the theoretical discussions revolve around only the most general, abstract questions. Meanwhile planning is expressed in the system of categories, of concepts expressing the directly social character of production and playing a major role in the mechanism of its regulation. Deserving of greater attention from this viewpoint, in our opinion, is such a category as the norm, the standard.

The norm is an important instrument of planned, direct-social regulation of socialist production, the main criterion of evaluation of the activity of workers and collectives. One can with full grounds attribute to the norm the words of V.I. Lenin said by him about the plan, that this "is the gage, a criterion, beacon, landmark, etc."¹² Development of a system of standards, covering the basic features of production, exchange and distribution of output is one of the most important tasks in improvement of management and planning.

The planned nature of socialist production adds the definite content and category of socially necessary expenditures of labor. It is known that K. Marx took out of the analysis of commodity production the concept of socially necessary expenditures of labor as average-social expenditures. The average expenditures of labor in the socialist economy also maintain an important informative and stimulating role, they serve as the basis of the prices on the output for the consumers. But it is not possible to regulate socialist production using the mechanism of average expenditures.

The centralized establishment of average sector expenditures is not capable of fixing the boundary separating necessary social expenditures from excessive ones. Decentralization of the solution of the given problem would mean a return to the market regulation of production. Planned control of production assumes social recognition of the expenditures of labor for the manufacture of output, beginning with the maximum allowable expenditures under the worst conditions included in the national economic plan, and ending with the minimum expenditures under the best conditions of production.

In practice such a nature of socially necessary expenditures inevitably forces its own way. This is expressed in that at enterprises being under the best conditions, withdrawn is the excess profit which is not the result of the activity of the collective. But for enterprises which are under the worst conditions it is necessary to pay a planned subsidy. This is a graphic example of how the inadequately known and consciously used objective necessity is manifested in undesirable forms, weakening the effectiveness of the economic mechanism.

Even K. Marx and F. Engels foresaw a sharp increase in the role of direct social expression and measurement of the use value of factors of production and product. F. Engels, for instance, in Anti-Duhring, emphasized that the production plan "will be determined in the final account by weighing and comparing the useful effects of different objects of consumption with one another and with the amounts of labor necessary for their production. The people will then do everything very simply, without resorting to the services of the famous 'value.'" ¹³ This problem proved not to be an easy one, but it cannot be said that it is unresolvable.

In recent years there has been an increase of the interest of economic theory in the working out of problems of public use value, in direct social measurement of labor and other factors of production. This, in our opinion, is one of the promising and fruitful directions of development of economic theory and in addition of improvement of the practice of planning. Attention to use value, to the methods of its evaluation and measurement, is the call of the time, connected with the turning of the national economy toward insuring an increase in the effectiveness of public production. Without solution of the problems mentioned it is impossible fully to reorient planning to achievement of the best end results.

On Expansion of the Sphere and Functions of Socialist Planning

An important feature of developed socialism is its integrity as a social system, in the framework of which new development is received by all of its elements, all the "subsystems"--economic, political, social and spiritual-theological. Their functioning serves one goal--ensuring all-round harmonious development of society and the personality, the growing of socialism into communism.

Hence there is also the increase in the interaction of different spheres of social life. A deciding, "base" role is played by public production, creating and increasing the physical basis of the welfare and spiritual progress of society--the social product. But the development of physical production separate from social relations, the spiritual and political life of society is not in a position to solve the program problem of formation of an all-round developed personality.

The role of social factors is increasing in the functioning and development of socialism, including in the development of production. Social

relations are articulated in the vast and relatively independent sphere of social life, they are increasingly becoming an object of conscious control. Also singled out is a whole relatively independent field of party policy--social policy. In the new USSR Constitution the social basis of the country figures equally in connection with the political and economic systems, and the state plans are characterized as plans of economic and social development.

Also characteristic for mature socialism is an increase in the role of the spiritual-ideological factor--the consciousness of the people, the level of their education and culture, moral qualities, their active life position. In the CPSU Central Committee resolution "On Further Improvement in Ideological and Political Education Work" it is noted that "Depending more and more on the successes of ideological and political education work is the course of the economic, sociopolitical and cultural development of the country, the full realization of the potentials of developed socialism, implementation of the Leninist foreign policy line of the Soviet Union, and reinforcement of its international positions."¹⁴

An increase in the interaction of economic, social, and spiritual-ideological factors is observed not only on the scale of society as a whole, but also in the sectors, associations, enterprises, in labor collectives of various levels, and also in a territorial cross-section. It is impossible not to consider this when developing and implementing managerial decisions. Consideration of the totality of organizational-technical, economic, social, and spiritual-ideological factors is an absolute condition of working out and realizing the complex programs regarding large-scale national economic and regional problems. This is shown convincingly by the experience in transformation of the non-chernozem zone of the RSFSR, development of the West Siberian territorial-production complex, of the zone of the Baikal-Amur Trunk Line and so on.

Socialist planning has always had a complex nature, it has been subordinated to the solution not only of economic, but also of fundamental political and social problems. In the developed socialist society the demand of a complex approach to management and planning becomes especially urgent.

It is no accident that 10-15 years ago the foremost enterprises and associations in the country came forward with the initiative of creating and implementing complex plans of economic and social development. In distinction to the practice which had prevailed, figured in these plans were not individual, uncoordinated indicators, but a system of indicators characterizing the totality of the social functions of the collective. It is also important that the achievement of these or other social indicators is regarded in the plan not only as an end in itself, but also as an active lever for solution of production problems. Plans for rayons, cities, oblasts and republics began to be structured on similar principles. This experience significantly enriched the theory and practice of socialist planning.

At the present time it is necessary to analyze thoroughly how completely and complexly the social aspect of development of society is reflected in the five-year and annual plans of the national economy. Creation of a developed system of plan indicators, standards, characterizing the social sphere of public life, and also an improvement in statistical data on these questions is the urgent task of the day.

A still more complex problem is the improvement of forecasting, of planning of the spiritual-ideological sphere and management of it, interconnection of the plans of economic and social development with the plans of ideological and educational activity. Of course the given aspect of life, by virtue of its own specific nature, cannot be expressed by a system of formalized indicators in the same degree as the economic system. However this only doubles the complexity of the task, but does not remove it from the agenda.

We must learn better to consider the social and ideological effectiveness of economic decisions. Without this they will be defective. However it is necessary to see also the other side--the economic effectiveness of ideological educational work. The measures in the ideological sphere at times emerge as a necessary component of the solution of economic problems. This can pertain, for instance, to the economic education of cadres, of the broad masses of workers, which has been turned in the 70's into one of the chief directions of the party's ideological work and has a direct and ever-increasing influence on the effectiveness of production and the quality of work.

Important factors of development of production are conscious discipline, responsibility, a thrifty attitude toward socialist property, comradely mutual assistance and laborrivalry, making up the essence of socialist competition, the feeling of a master of production. All these qualities depend to a large degree on educational work, they are to a greater or lesser degree the object of management and planning.

Considered above were only some of the theoretical problems which have, in our opinion, important significance for deepening the scientific bases of planning and management. It would have been possible to add here questions of the regularities and tendencies of development of a unified national economic complex, its social, sectorial, regional and functional structures; the demographic and economic aspects of problems of the population and labor resources; socioeconomic problems of scientific and technical progress; problems of distribution according to labor and incentives, cost accounting and prices; socioeconomic problems of the natural environment, and so on.

In connection with the entry of socialist planning on the international arena, with the development of the collective planned activity of CEMA countries, increasingly greater urgency is taken on by the study of the economic laws and problems of socialist integration, the generalization of the experience of planned management of the economy in socialist countries.

It appears that it would follow to study the ways of increasing the effectiveness of the economic research itself. Perhaps it is advisable for the 11th five-year plan to create a composite state plan of economic research and on this basis to improve its coordination. It would be necessary to increase the activity of scientific councils on the major problems. The need is felt for a prestigious interdepartmental agency which could make qualified conclusions regarding the major works and recommendations regarding incorporation of their results into practice.

In conclusion I would like to stress the following.

Marxist-Leninist economic theory has always been in the center of an ideological struggle, it has performed very important ideological functions, including with respect to training our cadres, and the broad masses of workers. Even today it actively counters the bourgeois and revisionist fabrications about a certain "crisis in the socialist economy," it unmasks the hypocritical advice to "improve" the planned system, to transform it in the direction of so-called market socialism with free play of random forces.

Soviet economic science is persistently waging a battle against the Maoist distortions of socialism, the attempts to adapt the economic doctrine of Marxism to the arrogant chauvinistic strivings of the Chinese leadership. It is giving a principled analysis of the practice of programming economic development in the capitalist world. Finding reflection in programming is the urgent demand for public regulation and control of the development of production, ensuing from the social character of modern productive forces. However capitalist programming has a limited character due to the dominance of private ownership and private interest, it is not in a position to overcome competition and spontaneity. It is included in the overall system of state-monopolistic capitalism.

Only socialism, where the power and means of production belong to the workers, can secure and really insure a genuine planned system.

The best contribution of Soviet economists to the struggle against bourgeois and revisionist theories is the intensified study of problems of development of socialist economics, substantiation of the ways to improve socialist planning and management, making it possible more fully to utilize the advantages of socialism, to speed up the increase in the effectiveness of production, and our movement forward along the path of communist construction.

Footnotes

1. "KPSS v rezolyutsiyakh i resheniyakh s"yezдов, konferentsiy i plenunov TsK" [CPSU in Resolutions and Decisions of Congresses, Conferences and Plenums of the Central Committee], vol II, Moscow, Politizdat, 1970, p 56.

2. V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 42, p 157.
3. V.I. Lenin, "Poln. sobr. soch.," vol 40, p 63.
4. V.I. Lenin, "Poln. sobr. soch.," vol 42, p 140.
5. Ibid., p 154.
6. V.I. Lenin, "Poln. sobr. soch., vol 54, p 101.
7. V.I. Lenin, "Poln. sobr. soch.," vol 40, p 108.
8. V.I. Lenin, "Poln. sobr. soch.," vol 36, p 228.
9. PRAVDA, 1979, 18 March.
10. L.I. Brezhnev, "Velikiy Oktyabr' i progress chelovechestva" [The Great October and the Progress of Humanity], Moscow, Politizdat, 1977, p 10.
11. "Materialy XXV s'yezda KPSS" [Materials of the 25th CPSU Congress], Moscow, Politizdat, 1977, p 78.
12. V.I. Lenin, "Poln. sobr. soch.," vol 43, p 382.
13. K. Marx and F. Engels, "Soch." [Works], vol 20, p 321.
14. PRAVDA, 1979, 6 May.

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LONG-RANGE PLANNING IN SCIENCE AND TECHNOLOGY OUTLINED

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[Article by V. Kotel'nikov, academician, vice-president of the USSR Academy of Sciences: "Problems of Long-Range Planning of Scientific and Technical Progress"]

[Text] Development of the socialist society is based not on random processes as in capitalist countries, but on scientific, planned principles, providing for the extensive and complete utilization of the advances of science. Here much attention is given to scientific and technical progress and its planning. V.I. Lenin gave important significance to the country's scientific and technical progress, and particularly electrification. Back in April 1918 he made a draft of a plan of scientific and technical research for the Academy of Sciences on questions of studying natural resources and their use for the national economy.

Under today's conditions scientific and technical progress is becoming in greater measure the determining factor of effective development of the economy. Namely for this reason in our country, especially in recent years, much attention has been given to improvement of the methods of management of scientific and technical progress.

Realized through the means of planning is the task of a unified scientific and technical policy, which should insure coordination of all directions of development of science and technology, maintenance of the necessary proportionality between individual units of scientific and technical progress and the development of scientific potential that is optimum with respect to the national resources.

The five-year plans for development of science and technology are worked out in two stages. At the first the USSR State Committee for Science and Technology, the Academy of Sciences of the USSR and USSR Gosplan with the participation of ministries, departments and the scientific community work out the basic directions of development of science and technology for the five-year period and determine the list of the major scientific and technical problems. In addition on the basis of evaluation of the existing level and analysis of the tendencies of the development

of science and technology the main tasks are determined with respect to raising the technical level of production and the most effective ways of solving them are determined taking into account the use of advanced domestic and foreign know-how. At the second stage the five-year and annual plans are worked out proceeding from the approved basic directions of development of science and technology.

The planned measures regarding development of science and technology embrace practically the whole complex of projects connected with the conduct of scientific research, planning and design developments and introduction of their results in the national economy. These measures are provided in the five-year and annual plans and are approved at all levels of administration--in the state plan, in the plans of the ministries, departments and union republics, scientific research and planning and design organizations, and in the technical, industrial and financial plans of associations and enterprises.

For complex realization of the most urgent problems of development of the national economy, scientific and technical progress are being worked out beginning with the Tenth Five-Year Plan. Approved in the five-year plan for 1976-1980 were the basic assignments regarding solution of 200 major scientific and technical problems, oriented first of all to the fastest possible utilization of the advances of science and fundamentally new technical solutions. The expanded programs regarding these problems, providing for step-by-step fulfillment of the whole complex of projects, right up to assimilation of new equipment and technology in production, are approved by the GKNT [State Committee for Science and Technology].

In the make-up of the plans for development of science and technology at all levels assignments are approved concerning: assimilation of new types of output; introduction of advanced technology, mechanization and automation, computer equipment; raising the technical-economic level of production and output produced; the sale of Soviet licenses abroad, the purchase of foreign licenses and samples and development of their production; state standardization; training of scientific and scientific-teaching personnel; financing of scientific research and scientific and technical cooperation with foreign countries.

An important role in state planning is played by the plan for basic indicators of the technico-economic level of production and output produced. Envisaged in it are the assignments for the ministries and departments regarding an increase in production of output of the highest quality category, expansion of the scale of application of progressive technological processes, a rise in the level of mechanization and automation, an increase in production of output on assemblies with a large unit capacity, and also an improvement in indicators of the technical level of production. Among such indicators are the specific expenditure of fuel per 1 kilowatt-hour of electric power, the speed of drilling oil and gas wells, the expenditure of coke for melting 1 ton of pig iron, the life of automobile tires, the average content of nutrients in mineral fertilizers,

and so on. Approval of these indicators in the make-up of the state plan strengthens the influence of the state on raising the technical level of production and increasing its effectiveness, and on improving the quality of output.

For the purpose of more complete accounting in the plans of the advances of science and technology the State Committee on Science and Technology and the USSR Academy of Sciences work out in advance, before compilation of the five-year and annual plans, the proposals for utilization of the most important scientific and technical advances in the national economy. These proposals are submitted to the USSR Council of Ministers, USSR Gosplan and are also sent to the ministries and departments. The plan for basic research in the field of natural and social sciences is worked out by scientific organizations, ministries and departments, and is coordinated with special councils for the problems and is approved by the USSR Academy of Sciences upon coordination with the State Committee on Science and Technology, and in the field of economic sciences with USSR Gosplan as well. Of especial significance at the present time is long-term planning of scientific and technical progress, since the grandiose economic and social tasks facing us cannot be solved at the present technical level and their solution usually goes beyond the framework of one five-year plan.

A new form of working out the long-range development of the country on the basis of the advances of science was the Complex Program of Scientific and Technical Progress and its socioeconomic consequences. Work on it began in August 1972 in the framework of compilation of the long-range plan of development of the national economy for 1976-1990. The draft of it was discussed in USSR Gosplan, directive agencies and received a positive evaluation at the 25th CPSU Congress. In accordance with the decisions of the 25th congress the work on the Complex Program was continued, and the period covered by it was extended to the year 2000. At the present time the preparation of it has been completed.

Drawing up the Complex Program was accomplished for 27 directions (16 of these had a scientific and technical aspect and 11 a socioeconomic aspect) by a commission of the USSR Academy of Sciences and the State Committee on Science and Technology under the leadership of a scientific council of the USSR Academy of Sciences and the State Committee on Science and Technology on problems of scientific and technical and socioeconomic forecasting created for this. Taking part in the work on the Complex Program were approximately 2,000 scientists, specialists, and practical workers who represented more than 500 scientific research, planning and design organizations of ministries and departments. Officials from USSR Gosplan took an active part in discussion of the materials of the program.

The work was based on hundreds of scientific and technical forecasts, technico-economic calculations made by scientific organizations, groups of scientists and specialists. In the framework of the scientific and

technical commissions these forecasts and calculations have been systematized and generalized, adjusted and refined, as a result of which they have taken on an integrated character. The commissions also worked out concrete recommendations and gave evaluations of the possible social and economic effects from their realization. At the same time work has been conducted on the most important socioeconomic problems. Taken into account in this case were both the expected results of scientific and technical progress and the tendencies and tasks of socioeconomic development of the country.

Coordination of the two aspects--the scientific-technical and socioeconomic--was the most complex part of the work on the Complex Program. It was carried out with the use of specially developed indicators, reflecting the social and economic results for each direction of scientific and technical progress, and also on the basis of summary economic calculations. Revealed in the process of these calculations was the necessity of additional treatment of individual scientific and technical problems, which it is proposed to perform in the future in the form of compilation of target scientific and technical programs.

The main conclusion reached as a result of the work done consists in that the scientific and technical reserve existing in the country will make it possible with its proper utilization to improve the dynamics of the effectiveness of production, and namely:

To accelerate the rates of growth of productivity of social labor on the scale of the national economy;

To improve the dynamics of the indicators of effectiveness of capital investments and return on capital;

To lower considerably the metal-intensiveness of production (during 1981-1990 the metal-intensiveness of equipment can be lowered by approximately one-third, and for construction and installation operations by 15-20 percent);

To increase during the next 10 years the yield capacity in farming and the productivity of animal husbandry by 20-30 percent, which will make it possible under the condition of a reduction in the losses of output to solve the agricultural problem even with a certain reduction in the sown areas and stabilization of the head of cattle;

To increase the yield of the end product per unit of initial raw material in the timber, woodworking, pulp and paper, light and other processing sectors of industry, and also the output of electric power per unit of fuel;

To reduce at least two-fold the level of losses in the national economy.

On the basis of the outlined Complex Program of acceleration of scientific and technical progress it is possible to overcome the difficulties in the following five-year plans, which will consist in that the number of those employed in physical production in the future will not have the same growth as in the preceding 20 years; the conditions of extraction of mineral raw material are growing complicated due to the depletion of easily accessible sources; large capital investments are required for development of the eastern regions.

An increase in the effectiveness of production on the basis of acceleration of scientific and technical progress will make it possible by the year 2000 to approach directly a rational level of consumption of food products and commodities by the population, and to increase approximately 1.5-fold the level of provision of the population with housing.

Acceleration of scientific and technical progress in accordance with the measures proposed by the Complex Program requires deep-seated changes in the structure of the national economy. Such changes include, in particular:

Advancing development of the investment complex, particularly the production of equipment, on the basis of priority technical retooling in ferrous metallurgy and the in-house base of machine building;

Reorganization of the fuel and power complex in favor of an increase in the production of gas, cheap coals, and atomic power;

An increase in the share of the first and third spheres of the agro-industrial complex, that is the spheres of supporting agriculture and processing its output;

Overcoming the lag in the level of development of production of the infrastructure behind the needs of the national economy, which will make it possible, in particular, to reduce the losses in the national economy by approximately two-fold with recoupment of additional expenses in three-four years.

When drawing up the Complex Program certain problems were revealed for the successful solution of which the compilation and realization of target scientific and technical programs are required. For instance, it is necessary to prepare a concrete program of releasing from the sphere of manual labor 20-25 million people, having provided correspondingly for the development and production of the necessary equipment.

A program is necessary for increasing specialization in machine building, in the organization of intersector specialized production facilities, such as the production of elements of hydroconduits, gears and so on, following the example of how intersector production of ball bearings is carried out at present. This measure will yield a large economic benefit.

In the development of ferrous metallurgy the basic problems consist in expansion of the assortment and improvement of the quality of the end product. This is required in order to reduce the metal-consumption of production, raise the reliability of equipment produced, and reduce expenditures for the treatment of metals. Needed is a program of technical reconstruction of ferrous metallurgy in coordination with the development of metallurgical machine building, with expansion of the production of structural plastics, and with improvement of the processes of metalworking. The program should also embrace the consumers of metal, in order to prepare them for the utilization of a more progressive product.

Development of the Complex Program has also shown that meeting the prospective needs of the national economy for energy depends in decisive measure on the possibilities of reducing specific outlays of fuel and energy per unit of end product and services. The technical reserve we have in this field will not make it possible to provide the same scales of a saving of energy with which it would be possible reliably to coordinate the development of the fuel and power complex and the whole national economy. Needed is a special program for improvement of energy consumption in all sectors of the production and non-production spheres.

Considerable additional work is required for substantiation of the possibilities of a greater increase, than envisaged by the Complex Program, in the yield capacity of farming and the productivity of animal husbandry. This should be attained first of all owing to biological factors--the incorporation of the advances in genetics and breeding.

One of the conditions of automation of the processes and increasing the productivity of labor is the broad use of electronic controllers and computers. The now operating program of development of the output of electronic computers cannot provide the scientific and technical progress envisaged by the Complex Program. It is necessary to work out a new program, providing for more rapid growth in the output of electronic computers and the conduct of measures for their extensive use.

In accordance with the basic directions of scientific and technical progress determined in the Complex Program are the priorities in development of individual directions of scientific research. Deserving of especial attention are:

Electronics (including electronic computers) which should provide the national economy with new means of automation and transmission of data and by this create the conditions for a substantial increase in labor productivity;

Power engineering, including projects for thermonuclear synthesis, which in the future will make it possible radically to solve the energy problem, and projects for the more immediate future, pertaining to nuclear power plants, and to the development of effective methods of producing liquid fuel

from coal. Without solution of the last problem it will hardly be possible in the future to compensate the growing shortage of oil;

New technologies--laser treatment, powder metallurgy, use of powerful catalysts;

Problems of agriculture (its mechanization, cultivation of new varieties of plants and breeds of animals, development of effective methods of microbiological production of protein);

Forecasting the weather and changes in climate, including those caused by man's activity;

Study of the structure of the Earth, improvement in the search for useful raw materials and fuel;

Medicine, especially the field of the most widespread diseases.

In addition, it is necessary to conduct intensive studies of the processes of living matter on the cellular and molecular levels, nuclear physics and the physics of elementary particles, and outer space.

In the field of the humanities especial attention should be given to a study of social processes in modern society.

Singling out the priority scientific directions means that their development should be insured in a privileged order, even to the detriment of the other directions (on which, however, scientific development is not stopped). A rapid advancement in the priority directions will contribute to the development of other divisions of science as well.

The long-term program of scientific research set forth in the Complex Program is tied in with the dynamics and scales of expenditures for the development of science. Here it is taken into account that the absence or shortage of the ideal devices, sometimes very complex ones, in some field of science will lower the productivity of labor, the rates and quality of the research, and in other will make these generally impossible. Outlined in the Complex Program are the volumes of development of instrument building necessary for the support of science. Without the due development of instrument building the outlays for scientific research and development will be utilized ineffectively.

A few words about further improvement of long-range planning of scientific and technical progress.

At the present time the opinion has been formed that the Complex Program should be regarded as an organic part of long-range planning. In the Summary Report of the CPSU Central Committee to the 25th party congress it

was stated that the Complex Program "makes up an organic component of current and long-term planning, it gives the orientation points without the knowledge of which it is impossible successfully to manage the economy." It is clear that the work on the Complex Program must be improved, especially if one has in mind the necessity of regular renewal of it. The general prerequisite of improvement of the work on it is refinement of its functions, its place in the system of planning, and also the components, the sequence and the times of development.

The following can be included among the methodical problems of improving the work on the Complex Program.

First of all, since the program is based on the results of hundreds (if not thousands) of scientific and technical and technico-economic forecasts, it is necessary to give them methodical unity. A required part of such forecasts should be the transition from technical parameters and indicators to economic and social ones.

Further, since the program is more than a complex forecast, demanded of it is rather complete substantiation of the recommendations both with respect to scientific-technical and socioeconomic measures.

Subsequently, as experience shows, in the course of preparation of the Complex Program problems will arise which will require subsequent development and for which individual programs should be compiled.

Among the chief methods problems are also coordination of the scientific-technical and socioeconomic aspects of the Complex Program. This consists first of all in working out a system of indicators and methods of calculation, making it possible to make the transition from indicators of the development of technology (parameters of the tools of labor, technological processes, properties of materials and so on) first to the technico-economic ones peculiar to the given sector, and then to the summary economic indicators. Prepared during development of the program was a special volume of forms and indicators. However this is only the beginning of the work.

In order to improve subsequent work on the program it is necessary to solve a number of organizational problems. First of all there should be a strengthening of relations between the USSR Academy of Sciences, the State Committee for Science and Technology, USSR Gosplan, the ministries and departments during the planning of scientific and technical progress. To far here there is no clear division of labor.

It is necessary to determine the head organizations conducting systematic work on the planning of scientific and technical progress in a given field and performing coordinating functions. The experience in compilation of the Complex Program has shown that those commissions which had a base in

the form of a head organization were the ones which operated successfully. Also needed is a scientific organization which would insure unified methodical leadership, coordinate the scientific-technical and socioeconomic problems, and be responsible for the final materials of the program.

The complex program of scientific and technical progress and its socioeconomic consequences is beginning to be developed for individual regions. These projects should be conducted in a more coordinated way.

The necessity is arising for regulation of international contacts. It is necessary to improve the practice of joint development with CEMA countries of scientific and technical forecasts and target scientific-technical programs, having coordinated this with the work on the Complex Program. It is necessary also additionally to review the question of our participation in international organizations and the numerous contacts connected with the solution of scientific and technical problems. Those conditions should also be created so that during development of the Complex Program it will be possible to take into account all the useful international information necessary for selection of the directions of scientific and technical progress in our country.

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TRAINING OF MANAGEMENT PERSONNEL

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/Article by Academician N. Mel'nikov, rector of the USSR Academy of the National Economy: "Planned Management and the Improvement of the Training of Economic Management Personnel"/

/Text/ Since the first years of the socialist reorganization of the economy of our country the problem of training managerial personnel has occupied the most important place in the activity of the party and the state.

Personnel policy to a considerable extent determines the effectiveness of the party economic policy. A specific set of measures in the area of personnel training, which was elaborated by the Communist Party, corresponded to each period of the development of the socialist economy, which was marked by historical landmarks--the five-year plans. At the same time, given the uniqueness of the individual periods of the building of communism, the system of work with personnel by its very nature was the same. Developed by V. I. Lenin as a scientific system, personnel policy was developed and given concrete expression as applied to the historical situation.

Among the attributes which a manager should possess V. I. Lenin placed in the forefront political attributes--a communist ideological outlook, adherence to party principle, utter devotion to the party and the people. Competence also holds a special place in Lenin's demands on a manager. "...In order to manager," V. I. Lenin said, "it is necessary to be competent, it is necessary to know all the conditions of production completely and precisely, it is necessary to know the technology of this production at its current level, it is necessary to have a certain scientific education."¹

At the appeal of the Communist Party immediately after the civil war detachments of proletarian youth were admitted to the universities and institutes. The first Soviet engineering and technical intelligentsia was forged from

1. V. I. Lenin, "Poln. sobr. soch." /Complete Works/, Vol 40, p 215.

them. Its representatives played a prominent role in the formation and development of socialist industry and agriculture. Suffice it to recall the famous names of I. T. Tevosyan, A. P. Zavenyagin, V. I. Yemel'yanov, Ye. P. Slavskiy and many other Soviet engineers and economic managers.

However, at the time that the First Five-Year Plan was adopted there were few engineering and technical personnel, economic managers and skilled workers in the country. That is why large-scale measures for solving the personnel problem were incorporated in the First Five-Year Plan. In five years 1-1.3 million skilled specialists were to be trained for industry and 230,000 for construction. The graduation of specialists from the existing VUZ's increased, new institutes were organized, the network of vocational and technical schools was enlarged considerably.

The outlined far-reaching plan was overfulfilled. At that time the problem of training economic managers was especially acute. An important role in its solution was played by the joint Plenum of the CC and Central Control Commission of the All-Russian Communist Party (Bolsheviks), which was held in July-August 1927 and outlined the main directions of work and the measures which were called upon to meet the needs of the national economy for highly skilled managerial personnel.

The decree of the CC of the All-Russian Communist Party (Bolsheviks), "On the Organization in the USSR Supreme Council of the National Economy of the Academy for the Training of the Higher Command Personnel of Industry," was adopted in the same year. In conformity with the decree at the end of 1927 the Industrial Academy was founded, to which 100 workers of industry and among them 48 directors of enterprises were admitted. Then industrial academies were also organized in the individual sectors of industry. By the beginning of the Second Five-Year Plan in the system of heavy industry alone there were 11 of them, and the number of students exceeded 3,000.

The year-long courses of red directors, which were organized by the USSR Supreme Council of the National Economy in 1925 on the initiative of F. E. Dzerzhinskiy, played an important role in the training of economic managers. In 1929 by an order for the USSR Supreme Council of the National Economy the Moscow courses of red directors were reorganized: the term of study at them without leave from work was increased to three years (and for a certain portion of the students, who were selected by a special selection commission, a fourth year of training with leave from their main job was introduced). Not only directors, but also people being nominated for directorships began to be admitted to the courses. The courses of red directors, evening ones and ones with leave from work, were organized in many regions and cities.

Other educational institutions, which solved the problems of improving the skills of economic managers--higher academic courses and special departments (FON's) attached to VUZ's--also operated in the system of the USSR Supreme Council of the National Economy.

In the training of economic managers special attention was devoted to the political problems of building the economy, that is, to the economic strategy of the Communist Party, the economics and organization of production.

At the same time an enormous amount of work on organizing a system of higher technical educational institutions, which replaced the system of workers' departments and became important centers for the training of specialists and managers for the national economy of the country, was done in the country in conformity with the decisions in accordance with the First Five-Year Plan. The July (1928) Plenum of the CC of the All-Russian Communist Party (Bolsheviks) decided to send to higher technical educational institutions in 1928 not less than 1,000 communists, who had gone through the serious school of party, soviet or professional work, and to practice this step annually during the next few years. The plenum set the task of strengthening the link of educational work at higher technical educational institutions with production: the higher technical educational institutions (or their departments and divisions) were attached to main administrations, trusts and the largest enterprises.

The program of work with economic management personnel and specialists was formulated at the November (1929) Plenum of the CC of the All-Russian Communist Party (Bolsheviks). The plenum noted that economic management personnel "should have sufficiently thorough special technical and economic knowledge, a broad sociopolitical outlook and the attributes necessary for the organizers of the production activity of the broad masses of workers."² The plenum also especially indicated the need "to improve radically the matter of training economists both for industry and for trade, financial, planning and statistical organs; to streamline the system and direction of economic VUZ's"³ in conformity with the needs of the national economy.

By way of implementing the instructions of the CC of the All-Russian Communist Party (Bolsheviks), the Central Executive Committee and the USSR Council of People's Commissars adopted on 13 January 1930 the decree, "On the Training of Technical Personnel for the USSR National Economy," which contained special section (V), "The Training of Economic Management Personnel and the Further Training of Experienced Workers Holding Technical Positions."

As a result of the extensive and purposeful personnel policy during the period of the first five-year plans the labor force of economic managers and skilled, enterprising, talented organizers of production increased five-fold. In 1939 they numbered more than 1.4 million. Working at responsible posts in different sectors of the national economy, they made a great contribution to the development of the socialist economy during the prewar

2. "KPSS v rezolyutsiyakh i resheniyakh s"yezdov, konferentsiy i plenumov TsK" [The CPSU in the Resolutions and Decisions of Congresses, Conferences and Plenums of the CC], Vol IV, Moscow, Politizdat, 1970, p 335.

3. Ibid., p 338.

years, as well as to the assurance of its effective functioning under the difficult and complicated conditions of wartime.

The labor force of engineers, planners and economists, who grew out of the proletarian youth of the first five-year plans, also played an enormous role. The number of specialists increased from 826,000 in 1926 to 5 million in 1939.

Thus, a mighty detachment of the Soviet technical intelligentsia, which under the guidance of the Communist Party along with all the people performed an enormous amount of work on the industrialization of the country, the collectivization of agriculture and its supply with machinery, was created during the years of the prewar five-year plans.

During the postwar years, in the period of the restoration of the national economy and the changeover of the economy "to a peace-time footing," considerable efforts were again required on the organization of a system of the training and further training of managerial personnel, which conformed with the new conditions and the new tasks. The sectorial academies became the basis of this system, its leading links. The Financial Academy was organized in 1948, the Naval Academy, the academies of the coal, petroleum and other sectors of industry were organized in 1949-1950. Specialists having a higher education and practical work experience in the corresponding sector were sent to them for two years of training with leave from work. Institutes for the improvement of the skills of engineering and technical personnel began to be created: in 1946 in the Ministry of the Construction Materials Industry, in 1948 in the Ministry of the Timber and Paper Industry. In 1947-1950 departments for the improvement of skills were organized at a number of leading VUZ's. Higher courses and courses for the improvement of skills, such as the Higher Engineering Courses for the Improvement of the Skills of Managers of the Ministry of Machine Tool Building, the Higher Courses of Light Industry and others, were active during the same period.

In the 1950's the growth of industry and technical progress faced production managers with new problems and tasks. Short-term courses for the improvement of the skills of managers were set up.

As a result of the enormous amount of work on the training of personnel, which was performed by the party during the postwar years, in 1959 the country had more than 19 million workers of mental labor.

The expansion of economic construction, the acceleration of scientific and technical progress and the complication of the problems of management enhanced the role and importance of economic managers and at the same time was responsible for the increase of the demands made on their qualifications and work skills. The demands on the system of education of economic management personnel increased correspondingly. The decree of the USSR Council of Ministers of 6 June 1967, "On the Improvement of the System of Improving the Skills of Managers and Specialists of Industry, Construction, Transportation, Communications and Trade," played an important role in its formation and

development. In later years the force of this decree was extended to a number of other sectors of the national economy.

At present the system for the improvement of the skills of managerial personnel alone includes: 50 sectorial union institutes and 6 intersectorial republic institutes for the improvement of the skills of managers and specialists of industry, construction, transportation, communications and trade; 62 branches of these institutes; 11 departments of organizers of industrial production and construction and 102 specialized departments for the improvement of skills attached to VUZ's; 800 permanent courses for the improvement of skills at industrial enterprises, VUZ's, scientific research institutes and other institutions. Each year about 1.4 million students improve their skills in this system. In all during the years of the Ninth Five-Year Plan about 5.5 million managers and specialists improved their skills.

In 1977 there were already 37.5 million workers of mental labor in the country, including 2.2 million managers of enterprises and organizations, 11.6 million engineering, technical and agricultural zootechnical personnel, 5.5 million workers of the organs of planning and accounting. Not one country of the world has such a labor force, which is skilled and served devotedly the cause of the Communist Party and the people.

At present the courses attached to higher educational institutions are doing considerable work on improving the skills of economic management personnel in the field of specialized knowledge. For example, courses for the training (with leave from work) of economic managers in the methods of network planning and management in industry and construction are in operation at the Moscow Higher Technical School imeni Bauman, the Moscow Institute of Aviation, the Latvian and Novosibirsk state universities, the Moscow Institute of Management imeni S. Ordzhonikidze and the Leningrad Institute of Engineering Economics imeni Tol'yatti, the Kiev and Leningrad polytechnical institutes. Among the graduates of these courses are the managerial workers of enterprises, administrations and departments of union and republic ministries and departments.

Along with the sectorial institutes, the councils of ministers of the union republics established regional institutes for the improvement of skills, their branches and courses for the improvement of skills at enterprises, scientific research and planning and design organizations and higher educational institutions. The system for the training of economic managers is of an intersectorial nature. In 1969 intersectorial institutes for the improvement of skills were organized in the Belorussian SSR, the Latvian SSR and the Lithuanian SSR, and then in the Moldavian SSR, the Uzbek SSR and the Ukrainian SSR.

The departments of construction organizers attached to the Moscow Institute of Management imeni S. Ordzhonikidze, the Leningrad and Khar'kov institutes of engineering economics, the Urals, Donetsk, Kazakh and Tashkent polytechnical institutes, the Gor'kiy Institute of Construction Engineering, the Belorussian Institute of the National Economy and the Azerbaydzhan Institute of

Chemistry and Petroleum, as well as the department of planning of industrial production at the Moscow Institute of the National Economy (Imeni Plekhanov) are making a significant contribution to the training of economic managers. Managerial workers up to the age of 40, who have a higher education and a length of service after graduation from a VUZ of not less than five years and who have displayed a talent for managerial work, are admitted to these departments on the orders of ministries and departments. After completing the training course and defending their graduation work the skill "organizer of industrial production (construction)" is conferred on the students and the appropriate diploma is issued. In 1976-1977 alone about 2,000 managers, who were sent for training by more than 50 sectorial ministries and departments, were trained at the 11 departments.

The institutes and courses attached to functional organs: USSR Gosplan, the USSR Central Statistical Administration, USSR Gossnab, the USSR State Committee for Standards and others, are performing much work on improving the skills of managerial personnel.

In 1970 the Institute of Management of the National Economy (IUNKh) was established in Moscow, and then institutes of management of the national economy were established in a number of republics for training and improving the skills of the managers of the higher level of management of the national economy. The training programs at the IUNKh provides for the detailed study of Marxist-Leninist theory, modern problems of the economics, organization and improvement of management and planning, methods of solving the problems of management and planning using computers, the legal and socio-psychological aspects of management. The three months of training at the IUNKh conclude with the defense by the students of graduation works, the content of which is aimed at solving specific management problems. During the existence of the Institute of Management of the National Economy about 2,000 managers of the higher level of management: ministers and chairmen of the state committees of the USSR and the union republics, their deputies, chiefs of the main administrations of ministries and departments, managerial workers of the higher functional organs of the USSR Council of Ministers and the councils of ministers of the union republics, managers of industrial associations and the largest enterprises of the country and other managerial personnel, underwent training and improved their skills. "With allowance for the increasing requirements," it was noted in the CC CPSU Accountability Report to the 25th Party Congress, "the party is approaching the organization of the training and further training of personnel, is doing everything possible so that they would increase their theoretical level, would extend their knowledge and would master the modern achievements of science and technology, the organization of production and management."⁴

4. "Materialy XXV s"yezda KPSS" [Materials of the 25th CPSU Congress], Moscow, Politizdat, 1977, p 71.

The opening of the USSR Academy of the National Economy in 1978 became an important event in the development of the system of training of higher economic management personnel. Its establishment reflected the increase of the role and importance of planned management at the present stage of the socialist economy, the role and importance of managerial personnel, and became a new, vivid display of the constant attention of the party and the government toward questions of the improvement of management and the increase of its scientific level and concern about the training of economic managers.

The tasks set by the 25th CPSU Congress in the area of increasing the efficiency of social production and improving the system of management of the national economy enhance considerably the role of managers in all spheres of their activity, as well as the responsibility for implementing the economic strategy of the party.

In our country a well-balanced statewide system for the training and improvements of the skills of economic managers and specialists, soviet and party workers has been formed and is being developed, which includes:

an extensive system of higher educational institutions, departments and courses in the system of higher education of the USSR, including a developed system of VUZ's and departments of engineering economics;

a sectorial and intersectorial system for the improvement of the skills of economic managers and specialists (in the ministries, departments and union republics);

the political and economic education of economic managers, as well as workers, which is carried out by party and public organizations;

the training and improvement of the skills of party and soviet personnel, as well as the managers of the organs of management of the national economy.

Not one country in the world has a system similar in scale, quality and diversity of the effective forms of personnel training.

In fulfilling the decisions of the 25th party congress and the subsequent CC CPSU plena, it is necessary to direct the efforts of state and planning organs, ministries and departments when training and improving the skills of managerial workers and specialists of the national economy toward the elaboration and development of effective ways and methods of solving the key questions of the party economic policy:

the further development of the sectors of industry and agriculture;

the acceleration of scientific and technical progress;

the increase of the production of consumer goods, the improvement of trade and personal services;

the expansion of foreign economic ties;

the improvement of planning and the entire mechanism of management;

the increase of production efficiency and work quality, the achievement of the best end results;

the skillful use of economic stimuli and levers and the improvement of the organizational structure of management.

Economic and engineering education, just like the improvement of the skills of economic managers, cannot be regarded separately from science in general and economic science in particular. The labor force of economic managers has increased along with the development of Soviet economic science.

Soviet economic science was created and grew strong while solving the urgent problems of the building of socialism, which were advanced by the party at individual stages of the development of the national economy.

The scientific principles of the economics and organization of socialist society were formulated in the works of V. I. Lenin. The theses on the shift of social production to the socialist path of development, the creation of the material and technical base of socialism, the economic supplanting of the vestiges of capitalist elements and the voluntary conversion of the small-scale peasant farms and individual producers to the path of collective management were substantiated and advanced in Lenin's works.

For many years ahead Lenin's theses became a solid foundation for the development of economic science in the USSR and the countries building socialism. The theory of the political economy of socialism, which commenced the applied ramifications in the form of scientific disciplines of the concrete economics of various sectors of the national economy, took shape on this basis during the first prewar decades.

The first decades of Soviet power were marked by a number of major scientific developments, which were closely connected with the needs of the formation of socialist industry. Many of these basic theoretical developments commenced whole trends of economic science, which have not lost their urgency even to this day.

Unusually bold ideas of comprehensive long-term national economic planning, which were embodied in the historical plan of the State Commission for the Electrification of Russian, were developed precisely during those distant years on the initiative and under the guidance of V. I. Lenin. The principles of the balance sheet, matrix planning of the national economy arose later. The needs of the development of individual sectors brought to life scientific ideas, many of which were properly understood and utilized only decades later. The activity of the fuel and power sectors gave rise to the concept of inclusive expenses. The so-called analytic methods of designing, which

became the forerunner of modern economic-mathematic modeling and production optimization, achieved considerable development in mining science. Transportation scientists during those years used a developed set of tools for taking the time factor into account in design studies, which were properly evaluated later. Finally, the scientific developments in the area of the scientific organization of labor, which were also widespread during those distant years, were well known. The scientific research and decisions in all these fields were closely interconnected with the solution of the practical tasks of the first five-year plans and with the emergence of Soviet economic personnel.

The beginning of World War II required the changeover of the Soviet economy to a wartime footing and the mobilization of all available resources.

The immense problems in the area of restoring the national economy during the postwar years required the new creative development of economic theory. The volume of industrial production in the country grew rapidly, the material well-being of the people also improved steadily. A number of major measures were implemented, which were aimed, in particular, at increasing agricultural production and creating favorable economic conditions for this. Work was carried out on revising procurement and purchase prices.

More and more attention began to be devoted to the problems of the rational territorial distribution of enterprises and sectors and the creation of industrial regions, which provided a basis for the rational development of the economy of the country as a whole. Thus, Soviet regional economics began to be formed as a scientific discipline.

The combination of sectorial planning with regional planning is one of the trends which promise major national economic impacts.

In late 1950 the theoretical elaborations of a wide range of questions on the evaluation and increase of the efficiency of social production were stepped up. Major studies on the methodology of comparing the expenditures and results of production and devising a national economic criterion and system of indicators of the effectiveness of capital investments and new equipment and the effectiveness of scientific and technical progress appeared. The questions of taking the time factor into account in economic calculations were elaborated. The basic factors and means of the increase of the economic efficiency of production were studied.

Priority in developing a new method--programming, which is used extensively for solving problems of economics and management--belongs to Soviet mathematical science. The domestic methodology of the optimal designing of enterprises, in which the intrinsic combination of the questions of scientific technology, the achievements of economic science and economic-mathematical methods sharply increased the effectiveness of design decisions, underwent much development.

During all the years of Soviet power unabating attention has been devoted to theoretical and practical questions of the economics and organization of labor—from its purely demographic aspects to the problems of the scientific organization of labor, which has undergone new development. In practically all the sectors of production science has studied extensively the means, factors and prospects of the increase of the labor productivity of workers. The scientific organization of labor has begun to be coordinated more closely with the solution of the problems of the functional organization of the links of the technological chain of the enterprises as a whole, that is, with the problems of the organization of production.

Relatively new trends of economic research, or trends which have been organized in a new way have been developed in the past two decades.

The increasing scale and complexity of the problems of structural reorganization, which objectively face the national economy, have enhanced considerably the role and importance of long-range forecasts and plans. The various forms of the multivariant study of the possible scripts of the long-term development of sectors and their complexes are gradually becoming a more and more inherent stage of planning. The elaboration of these stages required new methodological means.

In our country forecasting as a scientific prerequisite to long-range plans has encompassed all the sectors and serves as a means of the scientific selection of alternative solutions in the economy.

The development of a methodology of compiling comprehensive goal programs, which are aimed at the coupled statement and solution of the most important intersectorial all-union and regional long-term problems stemming from the economic strategy of the party, was fundamentally important under present conditions.

The rapid development of the methods of optimum economic-mathematical programming and modeling was a major event. The appearance of these methods was a direct response of science to the needs of practice for a stricter statement of the large-scale problems of the centralized planning of the socialist economy from the point of view of the national economic optimum. The models based on the objective peculiarities of socialist production not only are becoming a tool of the search for the most efficient solutions, but are themselves also conducive to the further development of economic theory.

The use of optimization methods and computers is providing extensive opportunities for the improvement of the planning of production and capital construction with the balanced and most efficient use of materials, financial and labor resources. The development of optimization planning models promoted the building of a more well-balanced hierarchic system of planning itself with the most concise and sound distribution of the individual tasks by levels and periods of management.

The development and adoption of the Automated System of Planning Estimates of USSR Gosplan increased the effectiveness of national economic planning.

The growing influence of the production activity of man on the environment placed among the most important problems the problem of the optimum use and reproduction of natural resources--minerals, fresh water, large tracts of land and forests. Economic science is faced with the problem of developing a theory of the economic evaluation of natural resources and the economic mechanism of the use of nature.

In conformity with the main goals set by the Communist Party for the future, the amount and depth of the scientific research in the field of applied sociology increased sharply. Under present conditions the evaluation of the effectiveness of any economic decisions can be made only in the connection of the economic and social impact. The aggregate of the economic and social planning of an enterprise, a sector and the national economic as a whole is an indisputable condition of the comprehensive approach to the solution of problems.

Significant achievements have been made in recent years in the science of management. Diverse trends of management theory, which are connected with the economic, organizational, legal and psychological aspects, are being successfully developed. The creation of sectorial organizational structures of management, in which specific tasks are set for the managerial personnel, has been substantiated scientifically.

The extensive development of the network of statewide and sectorial automated control systems made it necessary to organize in a new way the information supply system of production managers. This most complex system, which is so important for overall success, is itself becoming to a greater and greater extent an object of scientific research and reorganization. A considerable impact is anticipated from this reorganization.

The improvement of the coordinated system of the criteria and indicators of the effective development of social production along the entire hierarchical chain of the management of the national economy is an important direction of economic research. The coordinated use of physical and value indicators requires particular attention. Important problems have to be solved in the area of the methodology of forecasting and the long-range planning of production, the efficient distribution of the productive forces of the country. The assurance of a comprehensive approach to the solution of national economic problems, the complete balancing and optimality of the plans is being advanced as the main requirement here. The ways of increasing the effectiveness of technical progress require further study. There are still many unresolved questions in the area of the scientific principles of economic stimulation. Finally, sociological research has to be developed more extensively and its results have to be used more actively in planned management and the activity of economic managers.

The manager is the key element of the management system, who represents, on the one hand, centralized socialist planned management and, on the other, the interests of the collective as a component of the interests of society.

The increase of the scale and the complication of the present socialist economy and the processes of the scientific and technical revolution are enhancing considerably the role of managers in all spheres of production and public activity and are causing an increase in the demand for highly skilled managers and the extension of the arsenal of their knowledge and skills not only in the field of equipment and technology, but also in the sphere of economics, organization and management. The manager needs in-depth theoretical knowledge, organizing talent and practical skills.

Under present conditions, given the enormous diversity of management decisions and national economic contacts, the significance of each decision is increasing substantially. The ability to analyze all the factors influencing its adoption and consequences and to ensure the optimization of the decision is achieved only if the manager has a knowledge of modern economics, the theory and advanced practice of management. The mastery of the science of management is becoming for the manager a priority task, a requirement of the party and a dictate of the times.

In evaluating the system of training of engineering, economic and managerial personnel, it should be said that it is being organized so that the personnel would obtain an in-depth, systematic knowledge in the field of Marxist-Leninist theory and the economic policy of the party, would master the modern methods and technical means of management and would be able to apply them creatively in practice.

There is no doubt that the personnel educated by the Communist Party of the Soviet Union will henceforth be a reliable support in solving the problems of building communism, which face society.

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ECONOMIC DEVELOPMENT OF UNION REPUBLICS AND ECONOMIC REGIONS

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[Article by N. Maslennikov, deputy chairman of the RSFSR Council of Ministers, chairman of the RSFSR Gosplan: "Problems of Planning Comprehensive Development of the National Economies of the Union Republics and Economic Regions," based on a speech given at a section of a conference.]

[Text] The history of Soviet five-year plans is the history of the construction of developed socialism, the creation of powerful productive forces and the true flourishing of science and culture. During the years of the five-year plans immense quantitative and qualitative changes have taken place in the distribution of productive forces and the level of the economy and culture of all union republics. A changeover to the socialist method of production lay at the basis of these changes.

As a result of the accelerated development of industry, which now plays a basic role in the economy, a clearly expressed industrial-agrarian type of management has taken form in all union republics. Thus while in 1978 the volume of industrial production in the USSR had increased 152-fold as compared to 1913, in the Kazakh SSR it increased 232-fold, the Moldavian SSR -- 261-fold, the Kirgiz SSR -- 333-fold and the Armenian SSR -- 335-fold. In the USSR as a whole in 1977 the gross agricultural output had increased 3.5-fold as compared to 1913 and in individual republics it has increased significantly more, for example, in the Turkmen SSR -- 6.5-fold, the Uzbek SSR -- 7.2-fold, the Georgian SSR -- 9.5-fold and the Tadzhik SSR -- 9.6-fold.

There has been a sharp reduction in the disparity between the levels of economic development of the republics and regions of the country. As L. I. Brezhnev pointed out in his speech entitled "On the 50th Anniversary of the Union of Soviet Socialist Republics," we have basically solved the problem of equalizing the levels of economic development of our national republics.* Comprehensive development of the national economies not only of the USSR as a whole, but of each union and autonomous republic, kray and oblast has now acquired primary significance.

* L. I. Brezhnev, "Leninskim kursom" [On a Leninist Course], Moscow, Politizdat, Vol 4, p 93.

The 25th CPSU Congress set for planning agencies the task of improving planning, primarily through concentration of forces and resources on the implementation of the most important statewide programs, more complete combination of branch and territorial principles of planning and improvement of the balancing of plans. This contributes to increasing the effectiveness of public production and labor productivity and to improving the work in all areas of the national economy. It also makes it possible to implement the earmarked social program in shorter periods of time and to provide for comprehensive economic and social development of all union republics and economic regions of the country.

Since the first years of the Soviet regime questions of the development of the economies of the union republics and territorial planning have been at the center of the activity of the communist party and the government. But new tasks are coming to the fore and the requirements on territorial planning increase in various stages of communist construction.

In the present period, particularly, it has become necessary to improve considerably the quality of preplanning documents -- the general scheme for the development and distribution of the productive forces of the union and autonomous republics, krais, oblasts and branches of the national economy as well as documents for regional plans, resettlement and technical and economic explanatory documents for the construction of enterprises. These documents have still not assumed their proper place in the practice of planning. There is not enough coordination or determination of sequence for preplanning documents, either with respect to their content and legal bases or with respect to the time periods for their development. As a result, the schemes are frequently not taken into account in the drafts of plans. Apparently the time has come prepare special provisions that establish a unified policy for the development, approval and utilization of all preplanning documents in practical activity.

The union republics are doing a large amount of work to improve the location of projects for new construction, reconstruction and expansion of existing enterprises.

In the Russian Federation, under the RSFSR Gosplan there is an interdepartmental commission for the location of industrial enterprises. During the 3 years of its work it has considered 1,083 proposals for the location of industrial enterprises. Moreover, 58 of the coordinated proposals are for small and medium-sized cities and the proportion of those in large and metropolitan cities is regularly decreasing. As a rule, in the European part of the RSFSR there is a tendency toward the reconstruction and expansion of existing enterprises and in the eastern regions, toward new construction. Similar commissions have been created under all councils of ministers of autonomous republics, kray ispolkoms and oblast ispolkoms.

The Ukraine extensively utilizes the Methodological Recommendations for Determining the Economic Effectiveness of the Location of Industrial Enterprises and has prepared a cadastre of industrial sites.

A number of union republics such as the RSFSR, the Ukrainian SSR, the Kazakh SSR, The Belorussian SSR, the Lithuanian SSR and others have developed a list of small and medium-sized cities that are recommended as priority locations for industrial enterprises in the future. When locating enterprises one takes into account such factors as environmental protection, efficient utilization of water and land resources, the availability and the possible shortage of labor resources in the future, and the development of the enterprises from the point of view of national economic effectiveness. Questions of industrial construction are resolved in conjunction with the development of the nonindustrial sphere. Examples of a comprehensive approach to solving problems of industrial, housing and cultural-domestic construction are the construction of the Volga Motor Vehicle Plant in Tol'yatti, the plants for producing large-cargo trucks in Naberezhnyye Chelny and the Avtomash plant in Volgogradsk. A successful combination of all kinds of transportation, proximity to related plants, the availability of labor resources which previously departed for other regions of the country under organized recruitment, optimal planning of capital construction and capacities of construction organizations for industrial and civil construction have made it possible to achieve good results in short periods of time.

Still, not all of the methodological and organizational aspects have been worked out for the distribution of new enterprises in the union republics, economic regions, autonomous republics, krays and oblasts. Multivariant developments are not always provided for the determination of the most efficient projects for construction. This is impeded considerably by the fact that central and local planning agencies do not have the necessary normative and methodological materials. In turn, because of the imperfections of the latter, economic and mathematical methods are not fully utilized. It is necessary to pay more attention to a comprehensive solution to problems of locating industrial production in combination with the development of agriculture and auxiliary industries, taking into account the proportional utilization of the labor of men and women, both in the main industry and in the sphere of service.

Comprehensive plans for economic and social development of individual territories are beginning to fulfill all the most important functions in the system of territorial planning.

The main economic indicators for the union republics and economic regions are developed as part of the state plan. Central and local planning agencies are preparing assignments for the economic and social development of the Far East, Eastern Siberia, Krasnoyarskiy Kray, Tyumenskaya Oblast, Moscow, Leningrad and Leningrad Oblast, and they are submitting them for the approval of the USSR Council of Ministers. The main indicators for comprehensive economic and social development in the cross section of economic regions, autonomous republics, krays and oblast have been approved for the Ninth and Tenth Five-Year Plans in the Russian Federation and other union republics. The USSR Gosplan is developing and approving plans for the numbers of workers and employees at enterprises and organizations located on

the territory of Moscow Oblast. The councils of ministers of the Latvian SSR and the Lithuanian SSR are establishing the maximum numbers of workers for all enterprises and organizations, regardless of their departmental jurisdiction.

More and more attention is being devoted to plans for comprehensive economic and social development of oblasts, cities and rayons. Local soviets use these to coordinate and control the activity of enterprises and organizations of various departmental jurisdiction that are located in their territory. The experience of the cities of Moscow, Leningrad, Minsk, Vitebsk, Brest and Leningrad and Sverdlovskaya oblasts is being utilized extensively in the practice of drawing up plans for comprehensive economic and social development.

The Ukrainian SSR, where comprehensive plans include oblasts, cities and rayons, has achieved great success. The territorial aspect of the plan is worked out in depth in Estonia, Latvia and Lithuania. The work for comprehensive planning of administrative subdivisions is being carried out successfully in Belorussia, Kazakhstan, Georgia and other union republics. Thus since 1975 the Georgian SSR Gosplan has been considering comprehensive plans for the economic and social development of the Abkhazskaya and Adzharskaya autonomous republics, the Yugo-Osetinskaya Autonomous Oblast, and all administrative regions and cities under republic jurisdiction.

The scientific research institutes of the gosplans of the union republics are working on methodological instructions for republic ministries and departments and local planning commissions. One can state with satisfaction that this work is producing positive results. Russia and the Ukraine have approved and are introducing into the practice of planning methodological instructions for drawing up comprehensive plans for the territories of autonomous republics, krais and oblasts.

But there are also many unsolved problems related to this important matter. So far, comprehensive plans are largely analytical and not directive. Frequently they are the consolidation of the plan indicators of enterprises and organizations, and they do not provide a solution to such problems as the correspondence between the needs of the branches for labor and individual kinds of natural resources, on the one hand, and their availability in the territory, the development of interbranch industries, or the formation of a sphere of consumer services according to a unified plan, on the other. Up to this point, the mechanism for the interaction between comprehensive territorial and branch plans has not been adequately worked out. The right granted to the union republics to make suggestions about drafts of the plans of the ministries and departments has not been reinforced with the corresponding responsibility on the part of the ministries for acting on these suggestions. The ministries and departments must step up the work for improving the territorial cross section of the branch plans. Within the ministries it would apparently be expedient to create special territorial subdivisions which would deal with these problems.

At the present time a limited number of indicators are being established for the territory of the union republics and they do not make it possible to analyze in depth the development of the republics' economies. Apparently an expansion of the group of established indicators of territorial plans and greater specificity as to the agencies to which they pertain would make it possible to step up the role of union republics in increasing the efficiency of the operation of enterprises, regardless of their departmental jurisdiction, and to improve control over the fulfillment of planned assignments.

There is still not enough interaction between the USSR Gosplan and the gosplans of the union republics in the area of making decisions regarding the drafts of plans for union and union-republic ministries and departments. Planning agencies of union and autonomous republics, krais and oblasts must work more actively to prepare proposals for drafts of plans for enterprises and organizations under union ministries.

In order to provide for comprehensive development of the aforementioned administrative units, it is necessary for enterprises and organizations, regardless of their departmental jurisdiction, to coordinate with the councils of ministers of autonomous republics and ispolkoms of local soviets the drafts of plans for the production of consumer goods, the protection of nature and the environment, the numbers of workers and the construction of facilities for nonindustrial purposes. Local planning commissions are faced with a serious task: to step up control over the fulfillment of established assignments by all production collectives on territories under their jurisdiction.

Comprehensive special-purpose programs occupy an important place in the system of branch and territorial planning.

Following the instructions of the 25th CPSU Congress concerning improvement of the comprehensive approach to solving large economic problems, in recent years we have developed and are successfully implementing regional comprehensive programs, for example, the program for the development of agriculture and branches related to it in the nonchernozem zone of the RSFSR where 44 percent of the Russian people live. About 10,000 industrial enterprises are located here and therefore the zone's agriculture is faced with the difficult task of satisfying the population's ever growing needs for food products.

Latvia has developed 11 comprehensive special-purpose programs on a republic scale and included them for implementation in the five-year plan. They concern various problems, including the development of interbranch industries, mechanization of manual and heavy labor, and increased effectiveness and improved quality of capital construction. In recent years the Moldavian SSR has planned the formation and development of agro-industrial enterprises and complexes and interfarm associations.

The special-purpose program method is being utilized ever more extensively in planning. The formation of very large territorial production complexes (TPK), envisioned by the Main Directions for the Economic and Social Development of the USSR National Economy in 1976-1980, is evidence of this: In the RSFSR -- the Sapdno-Sibirskiy, Bratsko-Ust'-Ilimskiy, Sayanskiy, Yuzhno-Yakutskiy, Timano-Pechorskiy and the zone of the Kursk Magnetic Anomaly; in the Kazakh SSR -- the Pavlodar-Ekibastuzskiy, Karatau-Dzhambulskiy and Mangyshlakskiy; in the Tadzhik SSR -- the Yuzhno-Tadzhikskiy.

Accelerated introduction into economic circulation of the wealth of fuel, power and raw material resources of Siberia, the Far East, Kazakhstan and Central Asia is of exceptional importance for solving many statewide problems. The role of these regions in the production of many kinds of products, especially those of heavy industry, has been increasing steadily and has reached significant dimensions. The party and government always devote a great deal of attention to these issues. General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet, L. I. Brezhnev personally took a trip to the regions of Siberia and the Far East. The instructions and recommendations concerning problems of the development of the eastern regions which are contained in his speeches constitute a long-term economic and socio-political program.

The provisions of the new USSR Constitution and party instructions concerning the need to step up the soviets' economic work for ensuring comprehensive economic and social development of their territories assign the union republics large tasks for further improvement of planning. There are still many unsolved problems in the work for creating TPK's. As a rule, unified plans are not drawn up for their formation and development. All of their planning is done through the corresponding ministries and departments, sometimes without taking into account a comprehensive approach to planning. These and other shortcomings lead, to a certain degree, to individual disproportions in the development of intercoordinated industries and to arrears in the construction of facilities for nonindustrial purposes. Thus when plants of the Abakan production association for car construction of the Sayanskiy TPK were being constructed, during 8 years 25 percent of the state capital investments in industrial construction were assimilated and only 18 percent of the nonindustrial capital investments were. When the Baykal-Amur Mainline was being constructed the plan for construction and installation work on the startup Tynda-Berkakit line was overfulfilled by 20 percent, and the plan for the introduction of housing and facilities for social and cultural purposes and municipal services was not fulfilled.

There is now a need to draw up long-range and annual plans for the development of TPK's as an independent section of the plan. In the process of drawing up the plans for the formation and development of TPK's it becomes important to coordinate the activities of various ministries and departments and to organize their interaction with planning agencies.

Along with the USSR Gosplan and USSR ministries and departments, republic administrative agencies and local soviets of people's deputies should play

play a certain role in controlling the formation of TPK's. It would be expedient to develop general methodological provisions for the entire process of substantiating, planning and managing TPK's.

An important direction for improving territorial planning is to make the plans more balanced. With the complication of economic ties, the balance method becomes more and more important when drawing up plans for economic and social development and analyzing their implementation. This method makes it possible to balance the needs and resources on the scale of the republic, economic region, kray, oblast and ASSR, and to ensure proportionality in the development of individual branches of the national economy as well as coordination of the entire totality of indicators of the state plan. But it should be noted that in the practice of the gosplans of the union republics the balance method is still not being fully utilized.

In order to provide for greater substantiation of the main interbranch proportions in annual and long-term plans, one should more extensively introduce interbranch and fuel-power balances, as well as balance accounts for the production, processing and consumption of the main kinds of industrial and agricultural products.

It is necessary to improve methods of developing balances of labor resources and their utilization, providing for additional needs for personnel and training skilled workers. It would apparently be expedient for these balances to change from calculated to planning balances, that is, on the one hand, for them to be based on actual planning data and, on the other, for them to serve as a basis for preparing specific proposals for improving the utilization of labor resources existing on the territory. In this regard it seems necessary to develop and approve a policy for drawing up and coordinating balances of labor resources with labor plans.

The development of planned balances not only for the union republics as a whole, but also in the cross section of economic regions, autonomous republics, krays and oblasts, will increase the scientific substantiation of the plans, will make it possible to account for the influence of territorial factors in the plan for economic and social development and will contribute to further increasing the efficiency of public production.

All work for increasing the degree of balance of the plans, naturally, should be based on scientifically substantiated normatives. Unfortunately, so far there is clearly inadequate development of territorially differentiated norms for the expenditure of fuel and energy, water, land and timber resources, as well as recommendations for normative labor-intensiveness of products. This situation must be rectified.

Because of territorial and demographic peculiarities of the union republics, it is very important to develop indicators of the standard of living in the territorial cross section.

Greater demands on the quality of planning, its scientific substantiation and a more comprehensive approach to planning decisions make it necessary to have multivariant developments, the utilization of a large amount of information and maneuverability. Such problems are difficult to solve and, in a number of cases, impossible without the application of economic and mathematical methods and computer equipment.

At the present time the union republics are actively creating automated systems for planned accounts (ASPR). The first section of this system went into operation in 1977.

The introduction of computers into planning on the oblast level is an important task for union republics. The creation of ASPR's for oblast plans and the organization of their interaction with the ASPR's of union republics will significantly improve the quality of comprehensive planning of the republic's economic and social development.

When creating republic automated systems for planned accounts, it is necessary to solve the problems of standard methodological, legal and organizational software, which will significantly accelerate the creation of the systems and will contribute to a comprehensive approach to planning problems in all union republics.

Republic and local planning agencies as well as scientific research organizations should actively contribute to improving organizational and methodological work for territorial planning and earmark effective measures for the implementation of the tasks set by the party and government in the area of improving the development and distribution of productive forces. Territorial planning will occupy a worthy position in the overall system of the national economic plan and become an effective tool for increasing the efficiency of public production.

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